

Philadelphia, 1982–2007: Toward the Postindustrial City

AT THE TIME OF ITS TERCENTENNIAL, Philadelphia's outlook appeared bleak. Few people would have predicted much of a future for the city. By almost every measure, the 1970s had been a disaster. In that single decade the population dropped 260,000. The employment base seemed to be collapsing, as manufacturing jobs fell 40 percent. The resulting erosion of the tax base left the city with a chronic fiscal crisis. In 1976 alone, local property taxes rose by one-third. Under the administration of Mayor Frank Rizzo (1972–80), violent crime jumped, despite his trademark swagger and tough talk. Racial animosities ran deep—in City Council chambers and in the neighborhoods. In impoverished districts, especially in lower North Philadelphia, landlords simply abandoned their properties, which became derelict fire hazards and havens for drug addicts and gangs. The schools struggled to teach amidst the social chaos. Homeless people were sleeping on the sidewalks. In January 1982, after 134 years, the *Philadelphia Bulletin*, long the leading newspaper, ceased publication. It was an ominous sign.

In the ensuing quarter century, Philadelphia—its government and business leaders, and its residents and workers—struggled to adjust to a new economic reality, but with only mixed results. On the positive side, Center City became an exciting destination, with shimmering new office towers, thousands of new residents, and droves of tourists. The economy held its own in the growth sectors of information, health, and education. The city government made progress attacking the decay of its most distressed neighborhoods and, with state help, improved its schools. It made great strides on controlling its finances. Strong political leadership at the end of the century gave the citizens a greater sense of pride and future possibilities than they had for a long time. However, the city continued to lose population and jobs. High taxes, high crime rates, and poor schools especially fueled continued suburbanization.¹ Between 1980 and 2005 the

¹ Philadelphia ranked second among the largest cities in overall state and local tax burden as a share of gross taxable resources. New York City Independent Budget Office, *Comparing State and*

population dropped another 225,000, to 1.46 million. The city had yet to create the kind of excitement among investors and employers that sustained the growth of Boston or New York, but it clearly had more going for it than Pittsburgh, St. Louis, or Detroit.

Population and Economy

Not only did the aggregate population decline, but it shifted in composition, becoming far more diverse than it had been in almost a century. Mostly, white residents fled; by 2005, only 39 percent of the people remaining considered themselves non-Hispanic whites. Philadelphia also continued among the most segregated major cities in the country. While the boundaries between whites, blacks, Asians, and Hispanics shifted, few people from any of those groups lived among neighbors of other ethnicities.² Those who stayed in the city also were poorer. In 1979 citywide median household income stood at 73 percent of the regional median; twenty years later it had fallen to 66.8 percent. In 2005, a quarter of the population's income fell below the official poverty line, a big jump from 1980 and among the highest percentages for very large cities.

Throughout the period, Philadelphia's leaders faced the major challenge of the strained relations among the city's many ethnic and racial communities. Like many American cities, Philadelphia had witnessed heightened tensions, particularly between whites and African Americans, during the 1960s and '70s. Racial jealousies that had been accentuated during the Rizzo mayoralty were somewhat less abrasive during the term of William J. Green III (1980–84), but points of conflict remained and manifested themselves in the street and in electoral politics. White neighborhoods where residents had suffered industrial job losses seemed especially prone to violent racial incidents, particularly in Southwest Philadelphia, Grays Ferry, and parts of Kensington and Port Richmond.³

Local Taxes in Large U.S. Cities, Fiscal Brief, Feb. 2007.

² For distribution of population by race by census tract, see figures 1 and 2 and Philadelphia City Planning Commission maps, <http://www.philaplanning.org/data/datamaps.html>; for national data measuring segregation by metropolitan area, see <http://mumford.albany.edu/census/data.html>. The West Mount Airy neighborhood, with a stable, racially integrated population, represented a notable exception. See Barbara Ferman, Theresa Singleton, and Dan DeMarco, "West Mt. Airy, Philadelphia," *Cityscape: A Journal of Policy Development and Research* 4 no. 2 (1998): 29–54. On interethnic relations, see Judith Goode and Jo Anne Schneider, *Reshaping Ethnic and Racial Relations in Philadelphia: Immigrants in a Divided City* (Philadelphia, 1994).

³ Carolyn Adams et. al., *Philadelphia: Neighborhoods, Divisions, and Conflict in a Postindustrial City* (Philadelphia, 1991), 23–25.

**City of Philadelphia
Percent White Population (2000)***

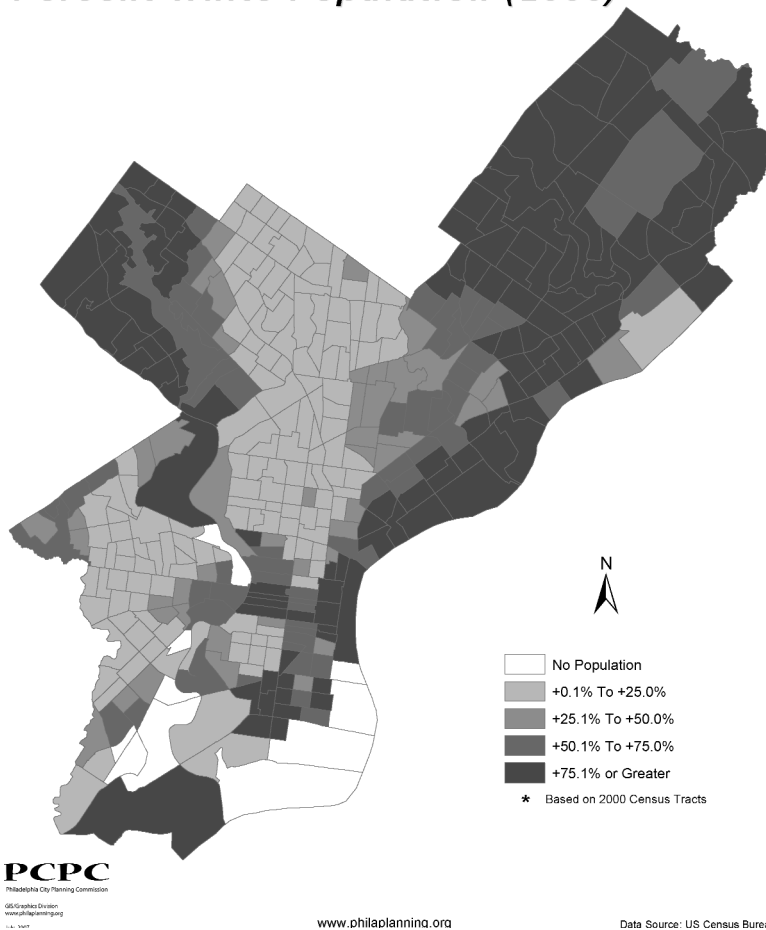


Fig. 1. Percent of White Population by Census Tract, 2000. Courtesy Philadelphia City Planning Commission, <http://www.philaplanning.org/data/datamaps.html>.

A notable increase in immigrants, particularly after 1990, partially offset the trend of population out-migration and added new tones of diversity. In 2005 the Census Bureau estimated 156,000 foreign-born residents. The newest immigrants, like earlier arrivals, clustered heavily in distinct neighborhoods. Somerton, Bustleton, and Rhawnhurst in the far Northeast housed large communities from Russia, Ukraine, India, and Eastern Europe. A cluster of Vietnamese, Africans, and Cambodians

City of Philadelphia Percent Black Population (2000)*

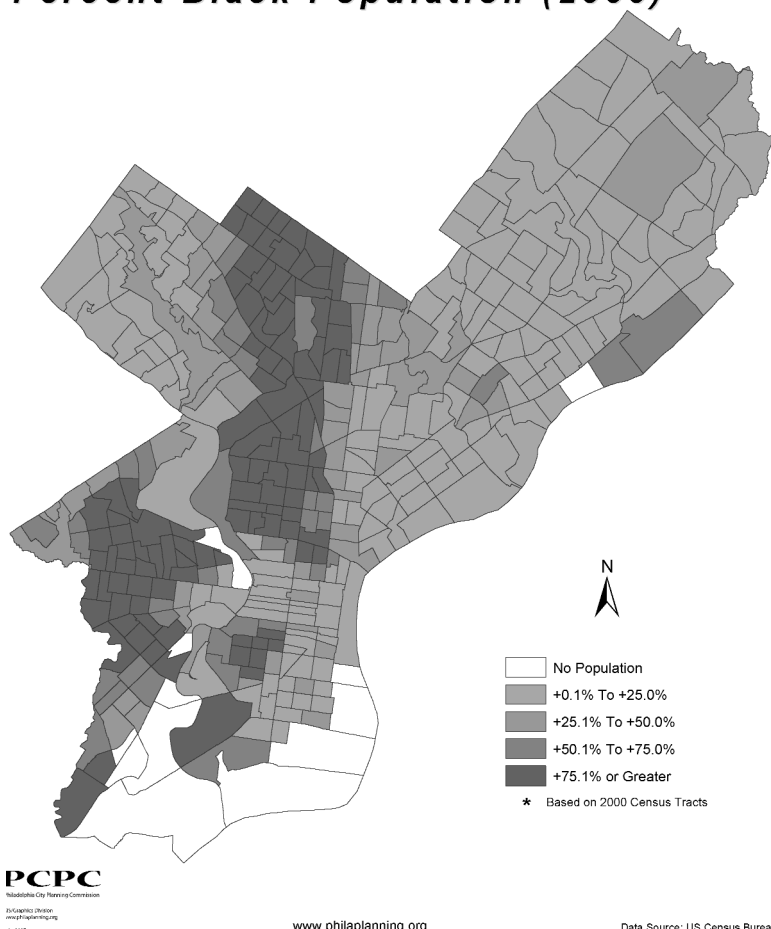


Fig. 2. Percent of Black Population by Census Tract, 2000. Courtesy Philadelphia City Planning Commission, <http://www.philaplanning.org/data/datamaps.html>.

settled in Elmwood in the Southwest. A corridor running north from Harrowgate and Juniata Park to Olney and Oxford Circle contained a broad mix of Asians, including Cambodians and Koreans, West Indians, and Latin Americans. A cluster of Asians, particularly Vietnamese and Cambodians, gravitated to South Philadelphia, straddling Broad Street from Wharton to Oregon. After the turn of the new century a Mexican community rapidly emerged around the Italian Market district (Ninth

TABLE 1
PROFILE OF POPULATION OF PHILADELPHIA, 1980–2005

	1980	2005
Population	1,688,210	1,406,415
Percent black/African American	37.8	44.7
Percent Hispanic	3.8	10.4
Percent white	58.2	42.1
Percent Asian	1.1	5.2
Percent non-Hispanic white	n/a	38.8
Percent non-Hispanic black/African American	n/a	43.9
Percent foreign born	6.4	11.1
Median age	31.6	35.3
Percent adults (25 and over) high school graduates	54.3	78.5
Percent housing units vacant	9.5	14.3
Percent housing owner-occupied	61.0	56.7
Median value owner-occupied units	\$23,700	\$100,200
Median value city owner-occupied units as % of region	56.8	48.1
Median household income	\$13,169	\$32,573
Median city household income as % of region	73.2	60.8
Percent individuals below poverty line	20.6	24.9
Percent unemployed	11.4	6.7

Source: U.S. Census Bureau, *1980 Census of Population and Housing, Census Tracts, Philadelphia, Pa.-N.J.*, report PHC80-2-283, 2 vols. (Washington, DC, 1983); U.S. Census Bureau, 2005 American Community Survey, Data Profile, Highlights: Philadelphia City, PA, Philadelphia-Camden-Wilmington Metropolitan Statistical Area, <http://factfinder.census.gov>; and U.S. Bureau of Labor Statistics, Labor Force Data by County, 2005 Annual Averages, <ftp://ftp.bls.gov/pub/special.requests/la/launcnty05.txt>.

and Christian streets).⁴

For almost 150 years manufacturing anchored the local economy, but in the second half of the twentieth century that foundation collapsed. Because the city had a diverse industrial base, the process occurred more slowly than elsewhere, but by the end of the century the cumulative impact had fundamentally altered the nature of the city. In fact, manufac-

⁴ Christopher Patusky and John Ceffalio, *Recent Trends in Immigration to Philadelphia, Pennsylvania: Who Came and Where Do They Live?* Fels Institute of Government Report, Spring 2004), <http://www.fels.upenn.edu/FGRS/FelsDCEDPhiladelphiaImmigrationReport.pdf>. On the new South Philadelphia communities, see Gaiutra Bahudur, "An Asian Enclave Grows in S. Phila.," and Thomas Ginsberg, "Mexicans Make S. Phila. Home," *Philadelphia Inquirer* (hereafter *Inquirer*), Dec. 30, 2002, May 5, 2003.

turing began to slip away to both the suburbs and the South as early as the 1920s, but in 1950 the city still had 350,000 manufacturing jobs. By 1982 the number had fallen to 135,000 and the inexorable slide continued until, by 2005, fewer than 31,000 such jobs remained, a mere 5 percent of the workforce. In the same year, 45,000 city residents worked in manufacturing, but large numbers commuted to the suburbs for those jobs.⁵

By the 1980s it was no longer just the suburbs or the South, but global competition that drove out local manufacturers. Textiles and apparel, the largest sector at midcentury, was virtually wiped out; only a few sweatshops survived, relying on recent Asian immigrants. Steel and shipbuilding went to Japan and Korea, electronics to Mexico, apparel to the Caribbean and Asia. Chemicals and pharmaceuticals remained mainstays of the regional economy, but shifted much of their production outside the city.⁶

By the late 1970s, the number of service jobs surpassed those in manufacturing. In 2005 the largest employers within the city were the federal, state, and city governments, the school district, hospitals and universities, and other service providers.⁷ The strongest growth sector was in knowledge-based services, which employed a larger percentage of the workforce in the city than in the metropolitan area. Hospitals and the universities played a critical role; the University of Pennsylvania was the city's largest single private employer. Unlike office building tenants, these institutions had enormous investments in their facilities and could not easily migrate to lower-cost suburbs. Further, the region remained the nation's second-largest center of the pharmaceutical industry. The largest firms were Merck and Company and GlaxoSmithKline. Building on the nexus of its medical infrastructure and leadership in pharmaceuticals, a significant biotechnology industry also emerged in the last two decades of the century.⁸

⁵ U.S. Census Bureau, 2005 American Community Survey, Data Profile, Highlights: Philadelphia City, PA, <http://factfinder.census.gov>.

⁶ Adams et. al., *Philadelphia*, 32–33; Thomas R. Winpenny, "The Subtle Demise of Industry in a Quiet City: The Deinindustrialization of Philadelphia, 1965–1995," *Essays in Economic and Business History* 16 (1998): 239–49; Carolyn T. Adams, "The Philadelphia Experience," *Annals of the American Academy of Political and Social Science* 551 (1997): 223–27; William J. Stull and Janice Fanning Madden, *Post-Industrial Philadelphia: Structural Changes in the Metropolitan Economy* (Philadelphia, 1990).

⁷ Philadelphia City Planning Commission, *City Stats: General Demographic and Economic Data* (Philadelphia, 2005), 4. The other largest employers were SEPTA, US Airways, Blue Cross, Wachovia Bank, and Verizon.

⁸ Joseph Cortright and Heike Mayer, *Signs of Life: The Growth of Biotechnology Centers in the U.S.* (Washington, DC, 2002), 11, 13, 16, 26, 27; Profile of Biomedical Research and

TABLE 2
WHERE THE JOBS ARE:
PERCENT OF PRIVATE EMPLOYMENT BY SECTOR AND LOCATION, 2005–6

	Philadelphia	Center City	Region
Health and Education	34	21	21
Professional, Technical, Business Services, Information	17	26	19
Leisure and Hospitality	10	11	9
Finance and Real Estate	9	18	9
Retail	8	7	13
Manufacturing and Construction	8	8	14
Wholesale, Transport, Utilities	8	3	9
Other Services	5	6	5

Source: Center City District, *State of Center City, 2007* (Philadelphia, 2007), 26; U.S. Bureau of Labor Statistics, Metropolitan Area at a Glance: Philadelphia Metropolitan Area, http://www.bls.gov/eag/eag.pa_philadelphia_msa.htm.

However, the well-paying professional and managerial jobs went disproportionately to suburbanites. Large numbers of service jobs offered only low wages and little opportunity for advancement. The city clearly was not attracting highly educated workers in the sufficient numbers it needed to be a major competitive force in the new economy. Almost a quarter of all adults lacked a high school diploma. Only a fifth had a bachelor's degree, one of the lowest percentages among the twenty-five largest cities; New York had a 50 percent larger share and Boston had twice the percentage.⁹

Although the city's population and employment base continued to erode, the metropolitan region experienced an economic boom. In the mid-1980s alone service employment in the region rose 25 percent and the overall economy became more diversified. Between 1980 and 2000 the population of the eight counties surrounding the city grew by 564,000. Although the region lagged the nation in the rate of overall growth, it exceeded the national average in per capita income and had a

Biotechnology Commercialization: Philadelphia-Wilmington-Atlantic City Consolidated Metropolitan Statistical Area, <http://www.brookings.edu/es/urban/publications/biotechphiladelphia.pdf>; Center City District (CCD), *State of Center City, 2007* (Philadelphia, 2007), 25–29; Adams, “Philadelphia Experience,” 225–27.

⁹ U.S. Census Bureau, 2004 American Community Survey, table R1402, <http://factfinder.census.gov>.

lower than average unemployment rate. Further, the regional economy seemed to gain momentum: between 1997 and 2003 the rate of job growth in the Philadelphia region surpassed that of Los Angeles, New York, Chicago, or Boston.¹⁰

Although the city tried to hold onto its jobs, suburban industrial and office parks offered large tracts of open land and greater proximity to suburban workers, with ample parking. Furthermore, employers considered the city's business and wage taxes burdensome, not only in comparison to the suburbs, but to other large cities as well. Office buildings and shopping malls clustered near major highway interchanges. Such a dense cluster of retail and employment emerged at King of Prussia that it was labeled an "Edge City." In 2000, a quarter of Philadelphia's workers commuted to jobs outside the city.¹¹

Federal, state, and city governments all implemented incentives to hold and attract industry, either in Center City or in designated distressed areas. A joint Camden-Philadelphia federal Empowerment Zone, begun in 1994, provided seventy-nine million dollars for capital grants to attract business and create jobs in North and West Philadelphia. In 2002 the federal department of Housing and Urban Development (HUD) designated large sections of the older manufacturing districts in North, South, and West Philadelphia as Renewal Communities, offering a wide range of federal tax credits and deductions and regulatory incentives to firms locating in those areas. In 1999 Pennsylvania authorized Keystone Opportunity Zones (KOZ), which exempted firms from all state and local taxes, except the city wage tax, for fifteen years. The city had twelve such zones early in the new century. In 2001 the state also authorized

¹⁰ Federal Reserve Bank of Philadelphia, Timothy Schiller, and Theodore Michael Crone, *The Industrial Evolution: Two Decades of Change in Philadelphia Metro Area's Economy* (Philadelphia, 2002). The 1980 region was the Standard Metropolitan Statistical Area: the Pennsylvania counties of Montgomery, Bucks, Chester, Delaware, and Philadelphia, and the New Jersey counties of Burlington, Camden, and Gloucester; in 2000 it was the Primary Metropolitan Statistical Area and included all of the above plus Salem County, New Jersey.

¹¹ Central Philadelphia Development Corporation (CPDC), *Center City's Office Sector: Restarting the Engine for Growth*, Report, June 2005; Joel Garreau, *Edge City: Life on the New Frontier* (New York, 1991); Adams et. al, *Philadelphia*, 19; Andrew Cassel, "Most Improved? The Philadelphia Region," *Inquirer*, Nov. 17, 2004; Steven Conn, *Metropolitan Philadelphia: Living with the Presence of the Past* (Philadelphia, 2006), 18; U.S. Census Bureau, Census 2000, table GCT-P12, Employment Status and Commuting to Work: 2000, <http://factfinder.census.gov>. On how federal and state tax and spending policies favored the suburbs, see Joseph Gyourko and Anita A. Summers, "Philadelphia: Spatial Economic Disparities," in *Sunbelt/Frostbelt: Public Policies and Market Forces in Metropolitan Development*, ed. Janet Rothenberg Pack (Washington, DC, 2005), 110–39.

Keystone Innovation Zones to foster partnerships between universities, economic development groups, and the private sector in order to encourage innovation and the implementation of new technologies.¹²

The overall value and success of these programs has been mixed. In a 1999 series, the *Philadelphia Daily News* revealed corruption and mismanagement in the North Central Empowerment Zone, and in 2002 its director went to jail.¹³ The programs did encourage some firms to locate or open small businesses in the target areas and showed results in such places as the derelict American Street. For example, American Street Financial Services Center, begun in 1997 with an Empowerment grant, offered small loans to small businesses such as restaurants, retailers and wholesalers, and light industries that probably would not have received bank loans.¹⁴ The incentive programs certainly lacked the coherence in purpose and execution to be considered an industrial or spatial allocation policy. Nonetheless, the city worked with the nonprofit Philadelphia Industrial Development Corporation to market vacant sites and, with government grants, to provide attractive financing to investors. Among its major initiatives was redevelopment of the 1,200-acre Naval Shipyard at the mouth of the Schuylkill. Kvaerner Philadelphia Shipyard invested in a major facility and the U.S. Navy still employed 2,500 people. In 2005 the state also designated the site a Keystone Innovation Zone.¹⁵ But the justification for these incentives, and particularly of the KOZ program, remained questionable. In any case, the effort did not stanch the hemorrhage of job losses.

The transition to a postindustrial economy came at great social, economic, and physical cost. Craft and production workers who lost well-paying and secure jobs often found work at lower wages with fewer

¹² The Empowerment Zones are American Street, North Central, and West Philadelphia; see <http://www.empowermentzone.org> for precise boundaries; Philadelphia Industrial Development Corp., *2005 Annual Review* (Philadelphia, 2006). The Community Renewal Tax Relief Act of 2000 authorized the Renewal Communities program; Harold Brubaker, "Another Boost for Poor Areas," *Inquirer*, Jan. 23, 2002.

¹³ Michael B. Katz, *The Price of Citizenship: Redefining America's Welfare State* (New York, 2001), 127–28; Paul Davies, "Friends in High Places," "Pitiful Properties Turn into Money Pit," and "Backfilling the Hole," *Philadelphia Daily News* (hereafter *Daily News*), Feb. 5 and 22, 1999, and Jan. 5, 2000; Joseph A. Slobodzian, "24 Months for Stealing from Poor," *Inquirer*, Oct. 9, 2002.

¹⁴ Peter Beinzen, "Long Blighted Area Lures Business with Tax Breaks," and "Banking on Risky Business," *Inquirer*, Feb. 16 and Aug. 30, 2004.

¹⁵ The Keystone Opportunity and Keystone Innovation Zones are administered by the Pennsylvania Department of Commerce and Economic Development. See <http://www.newpa.com>.

benefits, when they could find work at all. Compared to the region, the city's unemployment rate was higher and the share of its adult population at work was lower. In 1980 the unemployment rate of the region stood at 7.7 percent, while the city's was 11.4. In 2005 the citywide rate stood at 6.7 percent, but the rate for the entire metropolitan region was 4.7 percent. The collapse of whole industries hollowed out neighborhoods where workers had walked to work and built close ties to firms.¹⁶

Deindustrialization hit the African American and Hispanic communities exceptionally hard. The unemployment rate among blacks and Hispanics was double that of whites. Their average educational levels rose, but not fast enough to keep up with the increasing educational demands of the postindustrial economy. Blacks were also more trapped in their neighborhoods than whites, who were more likely to have access to an automobile for a reverse commute to suburban jobs. Continuing racial discrimination in hiring, most notably for young adult males, further isolated and undermined black neighborhoods.¹⁷

Politics and Leadership

Although deindustrialization lay largely beyond the city's control, local leadership retained its ability to shape the city's response to the new reality. The Greater Philadelphia Chamber of Commerce, the Greater Philadelphia Tourism Marketing Corporation, the Center City District, and the major universities, along with a number of grassroots organizations, provided civic leadership.¹⁸ More critical, however, was the role of political leadership. Although their tools were limited, politicians could at least manage the city's resources competently and honestly, dampen the polarizing racial environment of the 1970s, improve the schools, modernize management of the city departments, and, perhaps mostly importantly, galvanize morale and marshal local resources. Each of the mayors—William J. Green III (1980–84), W. Wilson Goode (1984–92), Edward G. Rendell (1992–2000), John F. Street (2000–8)—struggled toward

¹⁶ U.S. Census Bureau, 1980 Census of Population and Housing, Census Tracts, Philadelphia, Pa.-N.J., PHC80-2-283; U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Philadelphia Metropolitan Statistical Area, series LAUMT42379804, <http://www.bls.gov/data>; Adams et. al. *Philadelphia*, 57–65.

¹⁷ Adams et. al., *Philadelphia*, 65; Elijah Anderson, *Code of the Street: Decency, Violence, and the Moral Life of the Inner City* (New York, 1999), 113.

¹⁸ Basil J. Whiting with Tony Proscio, *Philadelphia 2007: Prospects and Challenges* (Philadelphia, 2007), 15–16.

those goals amid declining resources. Collectively, they achieved a great deal, although problems related to education, jobs, the tax structure, and crime seemed to be the most intractable.

The election of Bill Green as mayor in 1979 marked a profound contrast to the racially charged atmosphere of the preceding Rizzo administrations. But Green had the misfortune to preside during a severe recession, so he was largely unable to stem the tide of decline. A white liberal from a politically influential Irish American family, Green made conspicuous efforts during his campaign to avoid confrontational rhetoric and to reach out to the city's black residents. This bridge-building tone led to the appointment of an African American, Wilson Goode, as managing director.

Green made fiscal responsibility a hallmark of his administration and won praise for the professionalism of his staff appointments. He also initiated new procedures to curb police brutality, which had been seen as a persistent problem during the Rizzo mayoralty. Yet his pursuit of his priorities led to a series of high-profile clashes with City Council (which he at one point dubbed "one of the worst in the free world") and the Board of Education, many of whose members he energetically worked to oust.¹⁹ The Green administration also endured a lengthy strike by public transit employees, a strike by faculty at the Community College of Philadelphia, and a public school teachers' strike that persisted for nearly two months in the fall of 1981.²⁰ Unable to significantly reduce industrial job losses, Green nonetheless worked to stimulate economic development where possible and built upon bicentennial-era efforts to boost tourism.

Green was hampered as well by the perennial racial divide in city politics, failing to develop emotional loyalty in the African American community or among the blue-collar white voters who had been Frank Rizzo's core constituents.²¹ Nonetheless, many supporters expected Green to continue his efforts during a second term, and they were caught by surprise when he unexpectedly announced that he would not seek reelection in 1983. Managing Director Wilson Goode soon resigned his position

¹⁹ Jane Eisner, "Coleman: Green Insensitive to Minorities," *Inquirer*, June 19, 1982.

²⁰ Steve Twomey and Frederic N. Tulsy, "No Quick End to SEPTA Strike," Twomey, "Onepmanship Brings End to the Strike," Rick Nichols and Kevin L. Goldman, "Teachers Poised to Strike Today," and Lucinda Fleeson, Russell Cooke, and Joyce Gemperlein, "Teachers End 50-day Strike," *Inquirer*, Mar. 16, Apr. 5, Sept. 8, and Oct. 28, 1981.

²¹ Richard A. Keiser, "After the First Black Mayor: Fault Lines in Philadelphia's Biracial Coalition," in *Racial Politics in American Cities*, ed. Rufus P. Browning, Dale Rogers Marshall, and David H. Tabb, 2nd ed. (New York, 1997), 75.

and entered the mayoral contest.

Goode's appointment as managing director and his subsequent campaign for the mayoralty marked the culmination of many years of activism by black Philadelphians. On a personal level, it represented the successful completion of a migration from the rural South that exemplified the experiences of many blacks in the city. Born in North Carolina during the Depression, Goode moved to Philadelphia with his family as a teenager in 1954. During most of the 1970s, Goode had directed the Philadelphia Council for Community Advancement, an organization dedicated to African American economic and housing development.²² As Green's managing director Goode took several major steps that solidified his reputation as an efficient manager.

Philadelphia's black community rallied around Goode as soon as he declared his candidacy. However, Goode's political support extended far beyond the black electorate. Important elements of the region's corporate leadership, particularly those executives organized in the Greater Philadelphia First Corporation, perceived Goode as a capable manager and strongly backed his candidacy. While Bill Green had been hampered by a rather undiplomatic personal style, his accomplishments were substantial enough that he too was able to campaign effectively for Goode.²³ In the 1983 Democratic mayoral primary, Goode defeated the resurgent former mayor, Frank Rizzo. Benefiting from an extraordinarily high turnout of black voters, and the competition of two white candidates (Republican John Egan and Independent Thomas Leonard) in the general election, Goode won election as Philadelphia's first black mayor.

The new mayor initially worked to maintain a balance between the economic development efforts important to his corporate supporters and the long-frustrated desires of African Americans, who had stood so strongly behind him, for a share of city resources. Goode established an "Economic Roundtable" in which city officials met with business leaders to better understand their concerns; he also sought to create a more "energized" atmosphere in Center City by supporting the One Liberty Place office tower and a convention center (discussed below). Seeing himself as the embodiment of long-stalled minority aspirations, Goode sought to

²² Matthew Countryman, *Up South: Civil Rights and Black Power in Philadelphia* (Philadelphia, 2005), 23; W. Wilson Goode, with Joann Stevens, *In Goode Faith: Philadelphia's First Black Mayor Tells His Story* (Valley Forge, PA, 1992), 102.

²³ Carolyn Acker, "Style Sours a Substantial Record," *Daily News*, Dec. 12, 1983; George Wilson, "The Green Era Was One of Progress," *Inquirer*, Dec. 30, 1983.

end what he perceived as “white male exclusiveness” in city government, appointing significant numbers of blacks, Hispanics, and women to city offices. He also actively enforced existing minority “set-aside” requirements in city contracts.²⁴

Goode sought to ease racial strife at the neighborhood level, mediating a meeting of community groups in an area of Gray’s Ferry marked by frequent black-versus-white fighting. Referring to his unique perspective, Goode stated that “the fact that I am a black who is Mayor has an advantage in difficult situations like that,” and observers on the scene tended to agree.²⁵

However, a year and a half after his election, Goode’s careful balancing act—as an efficient, business-friendly manager able to maintain a strong connection with black Philadelphians—was overturned by a violent May 1985 confrontation with the radical back-to-nature group MOVE. After its first fatal run-in with Philadelphia police in 1978, MOVE had partially dispersed, but a number of members regrouped in a row house near Sixty-third Street and Osage Avenue, a working-class, black neighborhood in West Philadelphia.

In a reprise of its earlier behavior in the Powelton Village section, MOVE members clashed with neighbors over issues of sanitation, trash accumulation, and the group’s proclivity for making loud announcements over megaphones at various times of day and night. When community residents met with Goode in May 1984 to complain, the mayor responded cautiously, convinced that he had little grounds for action.²⁶ By the spring of 1985, after MOVE constructed an improvised bunker on the roof of their house and area residents continued to complain, Mayor Goode, District Attorney Edward G. Rendell, and Police Commissioner Gregore Sambor formulated a plan to break up the group by serving outstanding arrest warrants on a number of MOVE members. Anticipating resistance, the strategy proposed to evacuate the block, surround the house with hundreds of police, dislodge the rooftop bunker with a water cannon, and, if necessary, use small explosives and tear gas to enter the house.

In the early morning hours of May 13, 1985, when Sambor launched Operation MOVE by announcing the arrest warrants via loudspeaker, the immediate response was gunfire from the house and bunker. Feeling his presence at the scene would be unnecessary and inappropriate, Goode

²⁴ Goode, *In Goode Faith*, 192–93, 199–202.

²⁵ Vernon Loeb, “Mayor Acts as Peacemaker,” *Inquirer*, Mar. 24, 1985.

²⁶ John Anderson and Hilary Hevenor, *Burning Down the House: MOVE and the Tragedy of Philadelphia* (New York, 1987), 56–61; Goode, *In Goode Faith*, 207.

decided to monitor the operation from his West Philadelphia home and his City Hall office, depriving him of invaluable hands-on control. After several tactics to dislodge the residents all failed, Sambor proposed that a state police helicopter drop an explosive on the bunker, a plan that Goode approved without any apparent awareness of the details. The device, labeled a "bomb" by the media, started a fire in the bunker that soon spread into the rest of the building. Amid an atmosphere of operational confusion, Sambor decided to allow the fire to burn for a short time to destroy the bunker, but the entire house was soon aflame. By the time the fire department was ordered to begin fighting the blaze, it had spread and soon the entire square block was engulfed.²⁷ Sixty-one homes were destroyed, and during the following day it was discovered that eleven MOVE members, including women and children, had died in the gun battle and fire.²⁸

The tragedy earned Philadelphia nationwide notoriety, as the media prominently featured images of the ruined neighborhood. The several investigations that followed challenged Goode's reputation as an effective manager: one report remarked upon disorganization among city officials during the confrontation and a "reckless disregard for life and property."²⁹ It became apparent that the planning and management of the operation had been haphazard and incomplete. Members of the Philadelphia corporate community, who had heretofore supported Goode as a competent "good government" executive, made it clear that their confidence was shaken, while many Philadelphia African Americans who had hoped that this mayor would be particularly attentive to black interests were shocked by the devastation wrought by the police on a black neighborhood.

The city pledged to rebuild the demolished homes, but in this effort, too, Philadelphia's historic reputation for ineptitude and corruption reappeared. Goode felt it was desirable to hire an African American contractor for the work, but the firm proved unable to complete the job and had to be replaced.³⁰ Not long after the residents finally occupied their new homes (well behind schedule and more than one million dollars over

²⁷ Anderson and Hevenor, *Burning Down the House*, 109–45; Goode, *In Goode Faith*, 217–25; see also Charles W. Bowser, *Let the Bunker Burn: The Final Battle with MOVE* (Philadelphia, 1989).

²⁸ See, for example, William K. Stevens, "Police Drop Bomb on Radicals' Home in Philadelphia," *New York Times*, May 14, 1985.

²⁹ Thomas Ferrick Jr., "Report on MOVE Finds Goode 'Grossly Negligent' in Decisions," *Inquirer*, Mar. 2, 1986.

³⁰ Goode, *In Goode Faith*, 264–65.



MOVE, view of destroyed houses, May 15, 1985. Courtesy Temple University Libraries, Urban Archives, Philadelphia.

budget), substantial construction defects became evident. Many homes were not even habitable.

Toward the end of 1985 Goode also was forced to declare a state of emergency in parts of Southwest Philadelphia after large crowds of whites attempted to drive out African American and interracial couples who had recently moved into homes on predominantly white blocks.³¹ These incidents also attracted negative publicity to the city that the national media derisively and sarcastically called by its sobriquet, “City of Brotherly Love.”

The MOVE crisis tarnished Goode’s standing, but, to the surprise of many, did not end his political career. In the spring of 1986, crediting him with promoting job growth, members of Philadelphia’s business community offered their support.³² They also backed Goode that summer as he locked horns with the city’s unionized public employees, who began a three-week strike in July. While uncollected refuse accumulated along city streets, Goode stood firm against demands for increased contributions to

³¹ Adams et. al., *Philadelphia*, 22; Goode, *In Goode Faith*, 264.

³² Peter Binzen, “Executives Say MOVE Won’t Hurt,” *Inquirer*, Mar. 10, 1986.



Managing Director Wilson Goode and District Attorney Edward Rendell before City Council, April 1980. Courtesy Temple University Libraries, Urban Archives, Philadelphia.

union funds. The mayor had prepared a contingency plan that maintained essential services while directing public resentment against the union, and when the city won a court order forcing the employees back to work, Goode won credit for disciplined resistance to high labor costs.³³

Goode sought reelection in 1987, aware that administrative successes such as the defeat of the unions would be weighed against the MOVE disaster. District Attorney Ed Rendell opted to challenge Goode in the Democratic primary.³⁴ While many observers noted a waning of enthusiasm for Goode in the black community, a surge of black voters still enabled Goode to defeat Rendell. Meanwhile, former mayor Frank Rizzo, having changed his party registration, entered the contest on the Republican side. In the fall, Goode campaigned throughout the city, even in neighborhoods whose sentiments were decidedly against his reelection. This determination proved successful, as Goode defeated the charismatic yet divisive Rizzo by a slim fourteen thousand-vote margin. Again, the

³³ Goode, *In Goode Faith*, 267–69; Robin Clark and Vernon Loeb, “Goode Ran City, Wooed the Public and Broke Strike,” Russell Cooke, “For Goode, a Year of Recovery,” *Inquirer*, July 27, 1986, and Jan. 4, 1987.

³⁴ H. G. “Buzz” Bissinger, *A Prayer for the City* (New York, 1997), 17.

election was decided along racial lines, as Goode drew a far smaller share of the white vote than he had four years earlier, though proportionally more whites voted for him than blacks voted for Rizzo.³⁵

In fact, throughout the 1980s, small and larger interracial confrontations occurred at a rate of nearly two hundred per year, many of which involved groups beyond whites and African Americans. For instance, in May 1989 the tense boundary between predominantly white Kensington and the Hispanic neighborhoods to its west was shaken by the killing of a white youth by a group of Puerto Ricans. The unrelated killing of a Hispanic youth by a group of whites in a Feltonville park weeks later escalated mutual suspicions even further. In September 1989 the beating of an Asian man by a group of West Philadelphia blacks followed previous fighting between some of the blacks involved and Cambodian immigrants, and during the following summer groups of blacks killed Asian men in two separate West Philadelphia incidents. Troubles such as these prompted Mayor Goode to lambaste the perpetrators and call for “a city free of hatred.”³⁶

Financial issues also quickly came to the fore during Goode’s second term. While he had campaigned on a platform stating that higher taxes were unnecessary, in March 1988 Goode surprised the city by revealing a deficit of nearly one hundred million dollars and requested tax increases of more than sixty million dollars.³⁷ The mayor blamed the shortfall on increased social spending needs, on the failure to sell several city assets, and on reduced aid from the federal and state governments, but the need to plug ever-widening budgetary deficits became a persistent theme of his second term. A four-year labor contract Goode negotiated with city workers that summer also aimed at enhancing economy and efficiency in the short term, but a wage increase of nearly 19 percent, set to take effect in its later years, imposed a high price.³⁸ City Council, on which North Philadelphia’s John Street was increasingly influential, took a more assertive role in shaping Philadelphia’s financial policies, and, from 1988 onward, passed far smaller tax increases than Goode sought, while seeking to reduce spending on social programs, all in the name of fiscal responsi-

³⁵ H. G. Bissinger, “Goode’s Victories—Then and Now,” *Inquirer*, Nov. 8, 1987.

³⁶ Tony Locy, “Human Relations: Goode Blasts Spate of Racial Attacks,” *Daily News*, Sept. 30, 1989.

³⁷ Vernon Loeb, “Mayor Goode’s Budget: An End to Quick Fixes,” *Inquirer*, Mar. 27, 1988.

³⁸ Vernon Loeb, “An Accord Both Sides Can Sell,” *Inquirer*, July 17, 1988.

bility.³⁹ By 1991 the city was headed toward default, and a national recession only aggravated the situation.

Under these distressing conditions, the 1991 mayoral election attracted a crowded field of Democratic and Republican contenders. Ed Rendell again ran in the Democratic primary. Born in New York City, Rendell had settled in Philadelphia after graduating from the University of Pennsylvania, and after serving on the staff of the district attorney, Arlen Specter, he had been elected district attorney in his own right in 1977. Campaigning against two African American city councilmen and a white businessman, Rendell won the Democratic nomination by a sizable margin, attracting nearly a fifth of the black vote in the process. In a contentious Republican primary, Rizzo narrowly defeated District Attorney Ronald D. Castille and financial consultant Sam Katz. However, Rizzo suddenly died in July. City Republicans then nominated little-known businessman Joseph M. Egan, and Rendell won (with strong support from both black and white voters) in a landslide.⁴⁰

The new mayor immediately had to confront a budget deficit amounting to nearly \$250 million. Proposing a five-year financial plan that froze wages of city workers, Rendell spoke of an urgent need to change government policies. Contract talks that summer proved contentious, as city unions strongly resisted his efforts to simplify work rules and minimize pay increases. The contract that was finally settled that October achieved almost all of Rendell's goals: changing work rules, reducing city health-care subsidies, and limiting wage increases to a modest 3 percent.⁴¹ The mayor earned considerable praise for saving the city's finances by forcefully reining in labor's demands. Pursuing cost-saving efficiencies, he continued Wilson Goode's policy of privatizing a number of city functions. Rendell produced seven consecutive balanced budgets, which alone went far to restore the city's image.⁴²

Rendell assumed the role of Philadelphia's number-one salesman, determined to spur economic development and counter the continuing decline in industrial employment. Early in his administration, Rendell

³⁹ Goode, *In Goode Faith*, 281–82; Tom Infield and Robin Clark, "On Council: A Signal of New Muscle," *Inquirer*, Jan. 14, 1988.

⁴⁰ Keiser, "After the First Black Mayor," 88. An excellent account of this election can be found in Phyllis C. Kaniss, *The Media and the Mayor's Race: The Failure of Urban Political Reporting* (Bloomington, IN, 1995).

⁴¹ Bissinger, *Prayer for the City*, 107–53.

⁴² Carol Ann Jenkins, "The Miracle or Mirage of Local Governance? Mayor Rendell and the Philadelphia Fiscal Crisis" (PhD diss., Temple University, 2001).

envisioned a broad reshaping of the city's economy to reap benefits from tourism, and he quickly embraced such ideas as legalized riverboat gambling and a cultural "Avenue of the Arts" along South Broad Street. Overall, he devoted much of his time and energy to the revival of Center City that began in the 1980s.⁴³

Rendell's focus on transforming Center City into a festive and prosperous tourist magnet masked a number of continuing urban weaknesses. Rendell, like Goode, faced interethnic tensions. Only months after his inauguration, he was called to an emergency meeting in the Port Richmond section to calm a neighborhood outraged when a gang of Hispanics killed another white youth. Rendell discovered how difficult the process of smoothing race relations could be when a delegation of black community leaders then accused him of focusing on the grievances of white Port Richmond while ignoring black victims of police brutality.⁴⁴ Meanwhile, the city's loss of industrial jobs continued, including thousands of positions terminated when the federal government opted to close the Philadelphia Naval Shipyard in late 1995. Although city residents gave Rendell high overall approval ratings, many saw him as neglectful of neighborhood issues such as unemployment and crime. A poll taken in late 1995 revealed the stark fact that 43 percent of Philadelphians would move out of the city if they had the opportunity.⁴⁵ Nonetheless, in 1995 Rendell won reelection in a landslide against former state senator M. Joseph Rocks. As both candidates were white, racial politics did not figure in the contest; indeed, Rendell won nearly 90 percent of the vote in black-majority wards. In his second term he continued to focus on economic development and benefited enormously from a rapidly expanding economy. Overall, his greatest achievement was restoring the city's sense of itself and repairing its national reputation. To show off its revival, in 2000 the city hosted the Republican National Convention, the first nominating convention to visit the city in fifty years.

Rendell found an invaluable partner in City Council president John Street, an African American who had been raised in poverty and worked as a street vendor while finishing law school. Street had built a long record as a North Philadelphia community activist. Sharing Rendell's dedication to fiscal stability and business growth, Street shepherded the mayor's

⁴³ Whiting, *Philadelphia* 2007, 12–13.

⁴⁴ Bissinger, *Prayer for the City*, 67–75.

⁴⁵ Craig R. McCoy, Lea Sitton, and Thomas Ferrick Jr., "Philadelphia's State of Mind," *Inquirer*, Sept. 24, 1995.

initiatives through the council.⁴⁶ The close cooperation between the two worked to Street's benefit when Rendell energetically backed his campaign for mayor in 1999. Street overcame five opponents in the Democratic primary and in the general election faced businessman Sam Katz, who had presented himself as an authority on municipal finance during the 1991 campaign. The contest was fought over the issues of Street's council record and Katz's expertise. Despite the Democratic Party edge in registration, Street won by only a narrow 1 percent margin. Although both campaigns avoided racially themed rhetoric, race certainly played a role, as Street captured more than 70 percent of the black vote while Katz took approximately the same share of the white vote.⁴⁷

Street was more thin-skinned than Rendell, lacked his charisma, and was not a very comfortable or effective public speaker. But he did achieve important results. Street ran on a platform that promised more attention to the residential neighborhoods, and his major first-term initiative was an assertive antiblight campaign labeled the Neighborhood Transformation Initiative (discussed below). He played a major role in negotiations with the state over a partial takeover of the schools and invested heavily in the arts.⁴⁸

The 2003 mayoral election was a replay of the 1999 contest between Street and Katz. Early indications gave Katz a slight lead into October, when a stunning development cast an entirely new light on the race. Police officers discovered a listening device in Street's office, which was quickly traced to the FBI.⁴⁹ U.S. Attorney Patrick Meehan, a Republican, indicated that the microphone had been placed as part of an ongoing investigation of possible corruption on the part of Street or his associates. An emotional, paradoxical response followed, in which a fervent speech by Street's wife, Naomi, defending her husband sparked speculation that the investigation might be a Republican political ploy to boost Katz's electoral chances. African American voters in particular rallied to Street's cause, but an increased share of white voters did as well, and the November outcome gave the incumbent mayor 58 percent of the vote, a

⁴⁶ Discussion of the continuities, including shared biracial support, between the Goode and Rendell administrations and of the cooperation between Rendell and Street can be found in Richard A. Keiser, "Analyzing Urban Regime Change: Black Power, White Backlash and Shades of Gray," in *Minority Politics at the Millennium*, ed. Richard A. Keiser and Katherine Underwood (New York, 2000), 162–66.

⁴⁷ Monica Yant, "Returns Give Street Larger Victory Margin," *Inquirer*, Nov. 18, 1999.

⁴⁸ Whiting, *Philadelphia 2007*, 13–14.

⁴⁹ Thomas Fitzgerald, "A Startling Distraction in Race for Mayor," *Inquirer*, Oct. 8, 2003.

stronger showing than four years prior.⁵⁰

However, the listening device proved to be only the first episode in a lengthy corruption probe that dominated the news during much of Street's second term. Indictments ensnared a number of Street's close friends and political associates; charges largely involved allegations that these individuals had offered lucrative city contracts in exchange for political support. While Street was not charged, the involvement of many of his close associates in apparent "pay-to-play" corruption gained him a dubious title as one of the nation's worst mayors by *Time* magazine.⁵¹ In 2006 voters overwhelmingly endorsed an independent Board of Ethics.

Street introduced a number of initiatives in his second term, some innovative, some reactive. In fall 2004, he announced an ambitious plan to introduce a citywide "Wi-Fi" wireless network for computer users, seeking to bring the city into the forefront of new technology.⁵² Managed by a new nonprofit agency, Wireless Philadelphia, and operated under contract by the EarthLink corporation, this ten million-dollar initiative was intended to allow laptop computer users to access the internet throughout the city. It would address the vital economic and cultural role of internet-linked laptop computers and give Philadelphia an attractive image among technology-savvy young professionals. The program's goal of making Philadelphia the first major city to provide comprehensive wireless access gained national attention, although the city did not meet the planned 2006 opening date and the service remained in the testing phase in mid-2007.⁵³ Another project, "Safe Streets," placed additional police officers in especially crime-ridden neighborhoods, a response to a crime rate that began a worrisome increase shortly after Street's reelection.

If Rendell benefited from the economic boom of the late nineties and a sympathetic Clinton administration, Street benefited from the housing boom that coincided with his administration. Surging revenue from the property transfer tax helped the city's finances considerably, but rapidly rising pension and benefit costs were taking a growing share of the city's

⁵⁰ Tom Ferrick Jr., "Bug Infects Race and Voters," and Acel Moore, "What the Bug Did for Street," *Inquirer*, Oct. 22 and Nov. 6, 2003.

⁵¹ "The Worst Mayors in America," *Time*, Apr. 25, 2005.

⁵² Andrew Cassel, "Wireless Phila.? Less than Cool," and Wendy Tanaka, "City to Start Wi-Fi Project Next Summer," *Inquirer*, Sept. 3 and Oct. 30, 2004.

⁵³ Miriam Hill, "Time for Wi-Fi to Sink or Sync," *Inquirer*, June 17, 2007. Further discussion of this and other urban Wi-Fi proposals can be found in Gwen Shaffer, "Frame-Up: An Analysis of Arguments for and against Municipal Wireless Networks," *Public Works Management and Policy* 11 (2007): 204–16.

budget. The city's onerous wage tax burden was reduced slightly, but the source of the off-setting revenue was less clear. In 2006 the state approved two slot-machine casinos for Philadelphia, both to be built along the Delaware River waterfront: SugarHouse Casino at Frankford Avenue in Fishtown and the Foxwood Casino at Tasker and Columbus avenues. The proceeds were expected to be used to reduce the high wage taxes, although how much net revenue they would produce was uncertain.

Center City

In the quarter century after 1980, the city's mayors, working closely with private developers, largely reinvented Center City, its business and cultural core, where tourism, culture, entertainment, health care, and, importantly, residential neighborhoods complemented the traditional business functions. Nationally, Philadelphia was a leader in developing a new kind of downtown, which in 2005 was home to about seventy-seven thousand people.⁵⁴ Although rebuilding Center City had been a policy goal since the 1950s, in the 1980s several key developments converged with aggressive leadership to provide new momentum: a commuter-rail tunnel, a bold new skyline, the expectation of a major convention center, a rapid growth in the business service sector, and a revived interest in historic preservation. In addition to the succession of mayors, private developer Willard G. Rouse III played a central role in reshaping Center City. At the time of his death, the *Inquirer* said Rouse "willed Philadelphia architecture into a new era."⁵⁵

In 1984, after two decades of controversy and delay, and with considerable federal aid, the commuter-rail tunnel that connected the Reading, Suburban, and Thirtieth Street stations finally opened. Linking these rail networks made all parts of Center City equally accessible to commuters from northern and western suburbs and integrated commuter rail with the city's transit system. It particularly made the West Market Street

⁵⁴ Eugenie L. Birch, "Changing Place in the New Downtown" (Princeton, NJ, Policy Research Institute on the Region, 2006); CCD, *State of Center City, 2006*; for a summary of the background on Center City planning, see David W. Bartelt, "Renewing Center City Philadelphia: Whose City? Which Public's Interest?" in *Unequal Partnerships: The Political Economy of Urban Redevelopment in Postwar America*, ed. Gregory D. Squires (New Brunswick, NJ, 1989).

⁵⁵ Rouse made his initial money in suburban industrial and office parks; see Peter Dobrin, "He Set Sights High—Developer Pushed Region beyond Old Limits," *Inquirer*, May 29, 2003; see also Wolfgang Saxon III, "Willard G. Rouse, 60, Dies; Shaped Philadelphia Skyline," *New York Times*, May 29, 2003.

corridor attractive to development of new office towers.⁵⁶

A convention center was to be the second element of a rejuvenated downtown. Planners expected it to create demand for new hotels and restaurants that could, in turn, encourage more private investment; but like so many other major projects, it was fraught with controversy, delayed for years, and, even when finished, bedeviled by turf battles. Because the Civic Center on Thirty-fourth Street, completed in 1930–31, was obsolete and far from hotels, the city attracted few major conventions and trade shows. In the early 1980s the city settled on a site for a new center from Arch to Race streets, between Eleventh and Twelfth. The plan included restoration of the historic train shed at Twelfth and Market streets as an entranceway to the new center.⁵⁷

However, the state would have to provide a large share of the funding for any new facility. The project bogged down for years in controversy at both the state and local levels. State legislators questioned the estimated cost and fought over who would control the facility. Philadelphia's reputation for inept and corrupt handling of large projects made the legislature suspicious. (The MOVE debacle occurred at the same time.)⁵⁸

In 1987 Rouse took over chairmanship of the floundering Convention Center Authority. The Pennsylvania Convention Center finally opened in 1993, but was almost immediately beset by yet more controversy. Critics argued that the craft unions charged exorbitant rates for simple tasks and controlled the facility; one writer described them as "thuggish." The center had difficulty getting repeat business and the number of major trade shows declined over the years. The *Inquirer* referred to its "self-inflicted wounds."⁵⁹ In 2003, after a decade of such goings-on, under considerable pressure from the state, the six leading unions agreed to allow a management firm to control the allocation of work and settle jurisdictional feuds, and the pact spurred new convention business. Meanwhile, other cities had built newer and larger centers, and the state agreed to underwrite an expansion of the building westward to Broad Street between Arch and

⁵⁶ George Wilson, "Viewpoint: A Light Shines at the End of the Rail Tunnel," *Inquirer*, Oct. 14, 1983.

⁵⁷ George Wilson, "Modern Philadelphia Convention Center Is a Must," *Inquirer*, Jan. 21, 1983. In 2005 the Civic Center was demolished for a University of Pennsylvania Hospital pavilion.

⁵⁸ Frederick Cassick, "Legislator: Goode Firm of City Tax Refuses to Tie Levy to Center Funds," Dan Meyers, "Panel Postpones Vote on Convention Center," Meyers, "Convention-Center Bill Is Approved on 4th Try," *Inquirer*, May 8, 1985, and Feb. 11 and June 18, 1986.

⁵⁹ Conn, *Metropolitan Philadelphia*, 16; Joseph A. Slobodzian, "Center City Gains Residents, Loses Office Jobs," *Inquirer*, Mar. 23, 2005.

Race that would increase the center's capacity by 60 percent. Construction was slated to begin in 2007.⁶⁰

The promise of a convention center encouraged new Center City investment, particularly hotel construction. However, it was a revived economy in the mid-1980s and rapid growth in the finance, insurance, and business-services sectors that set off a Center City real estate boom. In 1984 Rouse proposed two office towers labeled Liberty Place on the full block from Market to Chestnut between Seventeenth and Eighteenth streets. One Liberty Place, at 945 feet, would be the first building to exceed the top of William Penn on City Hall (548 feet). No ordinance actually specified a height limit, but it was a longstanding "gentleman's agreement" enforced on occasion with pressure from the Planning Commission. The ensuing debate generated an extraordinary public discussion about the kind of city Philadelphia was and should be; there were even televised hearings. Legendary former planning director Edmund Bacon led the opposition, arguing that City Hall symbolized the idea "that the center of the city belonged to all the people, and not to any individual or corporation."⁶¹ An *Inquirer* editorial gushed that Penn's statue was "visible and distinct to visitors and especially Philadelphians, a beacon in the distance, the city's Brooklyn Bridge, its Eiffel Tower, its Big Ben."⁶² Rouse, meanwhile, threatened that he would not build at a lower height. Mayor Goode, eager for commercial development, lined up behind Rouse, who got his way with help from the Redevelopment Authority, which assembled the parcel. The sleek postmodern building, by architect Helmut Jahn, opened with fanfare and fireworks in December 1986. It immediately dominated the skyline with a glass pyramid that evoked New York's Chrysler Building.

Liberty Place opened the way for a wave of tall office towers that, by the early 1990s, remade the skyline and enlarged the business district.

⁶⁰ Marcia Gilbert, "Nothing's Too Small for Center Turf Fight," Gilbert, "Center's Six Unions Agree to Work Rules," Tom Belden, "Striving toward a Turnaround," *Inquirer*, Mar. 11 and July 15, 2003, and May 20, 2005. State support to enlarge the facility also coincided with greater state control of the Convention Center Authority, which was part of a larger pattern of loss of city control over infrastructure; see Carolyn Adams, "Urban Governance and the Control of Infrastructure," *Public Works Management and Policy* 11 (2007): 164–76.

⁶¹ John Corr, "Sizing up the Skyline," *Inquirer*, June 28, 1991.

⁶² Editorial, "Towering over All Corners, Penn Still Defines His City," *Inquirer*, Mar. 21, 1984; see also Thomas Hine, "Debating Penn's Hat and Raising the Roof in Phila.," Hine, "Round and Round on How High to Build," and Dan Rottenberg, "Topping Billy Penn," Apr. 1, Apr. 26, and May 5, 1984.



Philadelphia's rising skyline, from the Parkway, August 2007. Photo by Lou Meehan.

Rouse completed the adjacent Two Liberty Place (848 feet) in 1990. A cluster of additional towers soon arose along Market, Arch, and Cherry streets and JFK Boulevard between Eighteenth and Twenty-first streets.⁶³ Early in the new century two prominent new skyscrapers, with striking glass, neo-Modernist façades, added further drama to the skyline: the Cira Center on the northwest side of Thirtieth Street Station and the Comcast Center tower at Seventeenth and JFK Boulevard. The Cira Center occupied a KOZ site, which was particularly attractive for business partnerships such as law and accounting firms that found the business privilege tax burdensome. Tenants moving from outside the city, attracted by the tax abatements, leased almost half the space in the new building.⁶⁴

Within a single decade Philadelphia suddenly had a bold new skyline that announced a modern, exciting place. In addition, the locus of the office district had shifted from South Broad Street to the West Market corridor. From a distance the towers formed a cohesive skyline, with Liberty Place as the pinnacle. The city now focused on protecting the

⁶³ Most notable were: Mellon Bank Center at Eighteenth Street and JFK Boulevard (1990) with a pyramid glass roof; Blue Cross-Blue Shield Tower (1990); and the Bell Atlantic/Verizon building at Eighteenth and Arch, with a rose-stone façade (1991).

⁶⁴ CCD, *State of Center City*, 2007, 6; the architect of the Cira Center was Cesar Pelli; the Comcast tower, Robert A. M. Stern.

view of William Penn from selected long-distance perspectives. By 1991, even Edmund Bacon grudgingly acknowledged that the new skyline made a contribution.⁶⁵

Further, the new office buildings provided the largest share of the city's employment. In 2006, Center City and University City combined generated almost 60 percent of all the private-sector wages paid in the city, although more income went to suburbanites than to city residents. Despite repeated predictions that the advent of personal computing and wireless devices would mean "telecommuting" and "teleconferencing," business still found great value in face-to-face dealings.⁶⁶

To further strengthen Center City, in 1991 Philadelphia established a business improvement district known as the Center City District (CCD). Business improvement districts are private, quasi-governmental agencies empowered to levy a tax on property owners within specified boundaries; the funds are used to supplement city services for maintenance and appearance, security, and marketing. CCD has been considered one of the country's most successful. It pushed for the tax abatement on residential building and conversion, installed new street lighting, and worked with the school district to improve Center City schools. The CCD helped to organize a business improvement district in University City, west of the Schuylkill River, that relied primarily on voluntary contributions, most of which came from the University of Pennsylvania.⁶⁷

Tourism was another key element to Center City revitalization. The National Constitution Center, an interactive museum and celebration of the Constitution, opened in 2003 at the north end of Independence Mall, facing Independence Hall. The center closed off the wind-swept and out-of-scale mall and, together with a new Independence Visitors Center and Liberty Bell Center, helped to draw more than a million tourists over the next several years.⁶⁸ However, during excavation for the Liberty Bell Center, new research by Edward Lawler Jr. revealed that President George Washington kept his slaves in sheds and out-buildings behind his house at Sixth and Market streets, partially on the site of the new building. After considerable controversy and acrimony, the National Park Service

⁶⁵ Corr, "Sizing up the Skyline."

⁶⁶ CCD, *State of Center City*, 2007, 5.

⁶⁷ Paul Steinke, "Philadelphia: The Pros and Cons of Philadelphia's Business Improvement Districts," *American City* 11 (2006), <http://www.americancity.org>.

⁶⁸ "National Constitution Center Welcomes Millionth Visitor," press release, Oct. 13, 2004, <http://www.constitutioncenter.org/PressRoom>.

agreed to highlight the paradox of continued slavery with freedom at the new building. Further, in 2007 the Park Service planned a new building near the site specifically to commemorate the slaves and, in preparation, conducted an archaeological dig of the site that drew hundreds of thousands of visitors.⁶⁹

Despite all the new construction and employment, the future strength of Center City in 2007 was uncertain. The city's largest employment sector was health and education, having grown by almost one-third over the prior fifteen years, but, overall, office jobs declined by 20 percent. Offices are highly mobile and quick to take advantage of competitive sites. Average rents for top-quality Center City offices were actually lower than comparable space on the Main Line and Bala Cynwyd, but higher business and payroll taxes deterred many from locating downtown. Compared to other major downtowns, however, Center City was in a competitive position. In 2004 top-quality Center City office rental rates were half that of those in midtown Manhattan and substantially lower than in Washington, Boston, lower Manhattan, or Chicago. The vacancy rate, 11.2 percent, was within range of those other cities.⁷⁰

As the affluent fled to the suburbs, the downtown retail district could not compete with suburban malls. By 1993 the city's share of total regional retail sales had fallen to a mere 20 percent and slipped to 16 percent ten years later.⁷¹ In the 1950s, the City Planning Commission had unveiled a long-term plan called Market Street East that featured office towers, a suburban-style shopping mall on the north side of Market, and the commuter-rail tunnel. In 1974, the Rouse Company, helped along with federal grants, committed to building the retail space, known as the Gallery. The first phase, from Eighth to Tenth streets, opened in 1977 and included a new Gimbel Brothers department store. The second phase, extending the mall to Eleventh Street, opened in 1984, but

⁶⁹ Edward Lawler Jr., "The President's House in Philadelphia: The Rediscovery of a Lost Landmark," *Pennsylvania Magazine of History and Biography* 126 (2002): 5–95; Stephan Salisbury and Inga Saffron, "Echoes of Slavery at Liberty Bell Site," Salisbury, "Slavery Story to Be Part of Bell Site," "Full Story on Slaves Vowed at Bell Site," "Moving History—The Liberty Bell's New Home Will Present a More Complex Story of Our Nation's Past," "Designer Chosen for National Monument," "President's House Remnants Receive Protective Covering," *Inquirer*, Mar. 24, Aug. 11, and Nov. 1, 2002, Oct. 5, 2003, Feb. 28 and Aug. 7, 2007. See also, special issue of the *Pennsylvania Magazine of History and Biography* 129 (2005) on the President's House.

⁷⁰ *Center City's Office Sector: Restarting Engine for Growth*, Report of the CPDC, June 2005; CCD, *State of Center City, 2007*, 7–9, 23–29; Planning Commission, *City Stats*, table 11.

⁷¹ Planning Commission, *City Stats*, table 5.

Gimbel's went out of business in 1986, eventually replaced by a K-Mart. Early in the new century the Gallery included a mix of national-chain apparel stores and large discounters, but also had a number of vacancies.⁷²

Meanwhile, one by one, the city's once-thriving department stores, both landmarks and civic institutions, declined and disappeared. Lit Brothers, on Market between Seventh and Eighth streets, folded in 1977. The landmark building, a complex of several structures joined with a striking façade of cast iron, brick, and terra cotta tile, soon faced demolition. Despite a grassroots effort to save the structure, by May 1984 the fire department pronounced it a hazard and the *Inquirer* announced its imminent demolition. At the last minute, Mellon Bank rescued the building, which reopened in 1987 with retail on the lower floors and offices above.⁷³ In 1997, John Wanamaker's, the city's flagship department store, became a branch of New York's Lord and Taylor. In 2006, Strawbridge and Clothier closed entirely, and the Wanamaker store became a Macy's, although the iconic bronze eagle on the main floor remained.⁷⁴

Another long-planned component of Center City was Penn's Landing, the thirty-seven-acre site that stretched along the Delaware River from Market to South streets. Although close to the historic district, Interstate 95 and the wide Columbus Boulevard created intimidating barriers to pedestrians. Limited parking and difficult access further inhibited development. In 1985 Willard Rouse and Associates committed to developing the north end, leading the director of the Planning Commission to proclaim: "We are on our way."⁷⁵ Two decades later Penn's Landing featured the Independence Seaport Museum, a seasonal skating rink, apartments, some shops, and a marina, but it never developed as an important destination.

⁷² The Rouse Company was headed by James Rouse of Baltimore, uncle of Willard Rouse.

⁷³ Thomas Hine, "Plan to Save Lits Complex Unveiled," Hine, "The City Is the Better for the Lits Struggle," and Gregory R. Byrnes, "Lits Complex Is Saved by Mellon Lease," *Inquirer*, June 5, 1984, May 12 and Oct. 30, 1985; "Philadelphia Store Wears New Hat," *New York Times*, Oct. 25, 1987.

⁷⁴ Maureen Graham, "Good-Byes, Good Buys at Store," *Inquirer*, Feb. 2, 1997; see also Suzette Parmley, "Macy's Chooses Center City Site," and Dianna Marder, "Out Of Fashion—Strawbridge and Closure," *Inquirer*, Mar. 11 and May 23, 2006.

⁷⁵ Gregory R. Byrnes, "Developer Named for Waterfront," *Inquirer*, May 16, 1985.

Sports and the Arts

Philadelphia suffered from a long-standing and perhaps unfair reputation as a rather bleak place for entertainment. Even its sports fans suffered long years of disappointing teams. In both the areas of professional sports and cultural venues, civic-minded residents called for new investment and upgraded facilities. During the 1987 mayoral race, a commentator painfully noted that cultural growth and the visitors it would attract were essential, because “nobody wants to go to Philadelphia; there’s no sense of excitement. It’s a dreary place that lacks pizzazz.”⁷⁶ The city had made some progress during the 1980s in changing that image. A restaurant renaissance began in the mid-1970s, and the eastern end of South Street emerged as a lively strip of nightclubs and trend-setting boutiques. The bicentennial celebration left the city a legacy of new museums and an increased tourist presence at historical sites.

Area artists and promoters complained that they were barred from presenting many performances and other attractions by an acute shortage of theater space. A number of individuals and organizations took up the cause of raising the city’s arts and entertainment profile, and South Broad Street, home to the Academy of Music and the Shubert Theater, attracted attention as a promising cultural hub. The business community, gathered in the Central Philadelphia Development Corporation, proposed an ambitious project for a new symphony concert hall and a series of nearby theaters and cultural venues in a coherent entertainment corridor extending along South Broad from City Hall to Washington Avenue, to be known as the “Avenue of the Arts.”

Mayor Rendell grasped the project with enthusiasm, seeing the arts and tourism as keys to a Center City revival. The mayor stated his intention to create “an arts and culture district second to none” and sought state and private grants to nurture development. By 1993, construction was underway on several projects, including the Philadelphia Arts Bank performance space, a new Wilma Theater (the city’s first new theater construction in decades), and the Clef Club jazz venue, while the Shubert Theater was renovated and reopened as the Merriam and the nearby Midtown movie theater was reborn as the Prince Music Theater. This massive South Broad Street initiative was largely fueled by private-sector donations, but the Board of Education also relocated its High School for

⁷⁶ Vernon Loeb, “Skyline Carries Stamp of Both Candidates,” *Inquirer*, Oct. 27, 1987.



Kimmel Center, August 2007. Photo by Lou Meehan.

the Creative and Performing Arts to the avenue. An official opening ceremony for the avenue's sparkling new look was held in October 1996. The centerpiece of the plan was to be a new hall for the Philadelphia Orchestra, but it was plagued by a series of false starts until Willard Rouse, the city's savior on many projects, took control. The spectacular Kimmel Center, designed by Rafael Vinoly, finally opened in 2001 to national acclaim.

The Avenue of the Arts also widened its scope by expanding to North Broad Street, a largely African American district where community leaders

envisioned an emerging hub of African American cultural institutions centered on the mammoth, deteriorating Uptown Theater building near Broad and Susquehanna. That hall was not restored, but a new venue for the Freedom Theater was built and headquarters for several black service and arts organizations renovated. Criticism persisted that funding for the North Broad section of the avenue was minimal and inequitable, part of an enduring and not unreasonable complaint that city officials placed Center City interests ahead of neighborhood improvement.⁷⁷

Meanwhile, Philadelphia evolved toward a cultural and entertainment hub in other ways. Abandoned piers along the Delaware Avenue waterfront were reborn as elaborate nightclubs. A new wave of restaurants and clubs emerged in other parts of Center City and in Manayunk. Rendell also began a major initiative to draw free-spending tourists to the city's many historical sites by establishing Historic Philadelphia, Inc., a new promotional corporation charged with marketing the city's heritage and making history "more interactive, more dynamic."⁷⁸ As if to emphasize the employment of history for commercial ends, Historic Philadelphia's executive director later observed that "people have to be entertained these days."⁷⁹

As mayor, Rendell doggedly pursued every possible venture that might aid in the city's transformation into an arts and entertainment destination. Many ideas never got off the drawing boards. A "can't-miss" retail and multiscreen movie theater complex proposed for West Vine Street never materialized. In 1998 the Walt Disney Company announced plans for a five-story "DisneyQuest" indoor theme park as part of a new retail complex at Eighth and Market streets.⁸⁰ Given a nationwide real estate downturn and Disney's disappointment in the performance of the "DisneyQuest" concept elsewhere, the company canceled in early 2000, leaving an unsightly excavation that marred Center City for years afterward.

⁷⁷ Kimberly J. McLarin, "Planning for a Hub of Culture on N. Broad," Douglas J. Keating, "Freedom Theatre Raising the Curtain on a New Act," and Monica Yant Kinney, "Avenue of the Arts Model Sputters on N. Broad," *Inquirer*, Feb. 14, 1993, Feb. 16, 2000, and Aug. 20, 2001; Theresa Conroy, "Separate and Far from Equal," *Daily News*, June 2, 1997.

⁷⁸ Vernon Loeb, "Rendell Pushing Historic Phila.," *Inquirer*, Mar. 9, 1994.

⁷⁹ Tom Belden, Rosland Briggs, Jane M. Von Bergen, "On All Fronts, A Frenzy to Tempt Tourists," *Inquirer*, Apr. 19, 1998; on tourism and the arts, see CDC, *State of Center City, 2007*, 12–19.

⁸⁰ Theresa Conroy, "Fun Complex Eyed for Penn's Landing," *Daily News*, May 16, 1997; "DisneyQuest Coming to Market Street," *Philadelphia Business Journal*, Dec. 11, 1998.

Professional sports remained an enduring bond that provided a shared sense of community. Residents of city and suburbs alike invested enormous emotional energy in their major league teams and championships provided opportunities for pride and self-congratulation. One of the great peaks in the city's sports history came in 1980: the Eagles made it to the Super Bowl and the Flyers played in the Stanley Cup finals. Although neither team brought home a championship, in October the Phillies, behind the pitching of Steve Carlton and Tug McGraw and the bat of Mike Schmidt, won the World Series for the first time in their history. It was a moment of enormous jubilation for a city that did not have much to celebrate—more than a million people turned out for the victory celebration. The *Inquirer* headline roared "CHAMPIONS!"⁸¹

Over the next quarter century, the city enjoyed a number of competitive teams. The Eagles often made at least the first round of the playoffs, and in 2004 they played in the Superbowl. In 1983, led by Julius Erving and Moses Malone, the 76ers won the NBA championship. During the rest of the decade, under the inspired play of Charles Barkley, the team was always a contender and made the playoffs most years, although they did not return to a championship tournament until 2001, this time led by Allen Iverson. The Flyers competed in the Stanley Cup finals in 1985 and 1987 and, with star player Eric Lindros, again in the mid-1990s. The Phillies won the National League championship again in 1983 and 1993, but they lost the World Series.

However, even though the city's sports facilities were relatively new, all the local teams were dissatisfied with their facilities and threatened to leave town. The Flyers and 76ers played in the city-owned Spectrum, built in 1967. In 1988, Harold Katz, owner of the 76ers, and Ed Snider, owner of the Flyers and Spectacor corporation that managed the Spectrum arena, began talks with New Jersey officials, who hoped to draw the teams to a proposed new arena across the Delaware. Determined to retain the teams in the city, Goode negotiated a deal in the summer of 1991: the teams and Spectacor committed to remaining in Philadelphia and building a new arena in South Philadelphia on the site of John F. Kennedy Stadium, which was to be demolished due to structural deterioration. The city, for its part, agreed to build a new multimillion-dollar

⁸¹ *Inquirer*, Oct. 22, 1980; Joseph Durso, "Happy Phils Bind Old Wounds," and William Robbins, "On the Whole, Philadelphia Would Rather Celebrate," *New York Times*, Oct. 23, 1980.

parking deck.⁸² In 1996, both teams moved into the Wachovia Center (CoreStates Arena, 1996–98; First Union Center, 1998–2003).

Although city-owned Veterans Stadium (the “Vet”), home to the Phillies and Eagles, only dated from 1971, with poor sight lines it was never entirely satisfactory for either baseball or football. Further, no one liked the artificial turf and it lacked enough lucrative private boxes. In 1984, Eagles owner Leonard Tose talked of moving the franchise to Phoenix unless he received a better deal from the city. Goode agreed to build luxury skyboxes at the stadium, with most income going to the team.⁸³ But by the 1990s, particularly after the new retro-style Camden Yards baseball stadium opened in Baltimore, the Vet’s considerable defects were glaring. Each team now demanded its own stadium and expected public financing. In 1999 the state allocated an astonishing eighty-five million dollars for each stadium (plus equal amounts for two more in Pittsburgh). Mayors Rendell and Street both expended considerable energy looking for a downtown site for the Phillies. The rail yards at Thirtieth Street and the area around Broad and Spring Garden emerged as the likely possibilities, but both sites would have required extensive additional infrastructure costs. In the end two new stadiums arose next to the existing South Philadelphia sports complex at Broad Street and Pattison Avenue. In 2003 the Eagles opened at Lincoln Financial Field, quickly nicknamed “the Linc,” and the Phillies began play at Citizens Bank Park the following year. Phillies fans responded with a season attendance record of 3.25 million. The Vet was then demolished to provide parking for the new facilities. The Linc brought good luck for the Eagles, who won a National Football Conference championship in 2005.⁸⁴

Since the early 1980s, Philadelphia had invested vast sums in the nationwide competition for tourist dollars, and with considerable success. One study found that the number of overnight visitors to the Philadelphia region increased by 55 percent between 1997 and 2007.⁸⁵

⁸² Glen Macnow and Thomas Turcol, “Arena Deal Is Finally a Reality, Plan Faces Criticism in Council,” *Inquirer*, June 11, 1991.

⁸³ Goode, *In Goode Faith*, 205.

⁸⁴ Jayson Stark, “Could Dream Park Be Coming? It’s Time to Take Heart,” Vernon Loeb, “Rendell: Stadium Site not Definite,” Michael Sokolove and Howard Goodman, “Rendell Cool to Downtown Stadium Plan,” Dianna Marder and Nathan Gorenstein, “Cost Will Dictate Stadium Location,” and Christopher K. Hepp and Ken Dilanian, “How a Plan That Was Believed Dead Returned to Life,” *Inquirer*, June 28, 1992, Dec. 21, 1993, Aug. 21, 1996, Oct. 31, 1997, and Feb. 4, 1999.

⁸⁵ Whiting, *Philadelphia 2007*, 16.

The benefits were evident in Center City's growing vibrancy by day and night, and in the attention gained by hosting high-profile events, such as the 2003 X-Games "extreme sports" tournament held at the Wachovia Center. However, nagging reminders persisted that the rewards were not shared equally by all portions of the city. In 1995, one South Philadelphia African American neighborhood activist pointed to the contrast between what she termed the "fancy brickwork" on the Avenue of the Arts and the "signs attracting people to eat and play" along Delaware Avenue, with the dilapidated condition of her own neighborhood which lay directly between those two hot spots.⁸⁶

Gentrification

Beginning with the remarkable revival of Society Hill in the 1950s and '60s, Philadelphia was a pioneer in the restoration of older neighborhoods surrounding downtown in a process that came to be called gentrification. Gentrifiers tended to be young adults and "empty nesters," attracted by the proximity to work, the budding nightlife, and the historic quality of the neighborhoods. Gentrifiers could set off a self-sustaining process: by spending freely on restaurants, bars, and culture, they made the streets safer at night and created an urbane quality that encouraged firms to locate or remain in Center City. The office boom of the 1980s in turn drew in more gentrifiers. The lively blocks around the historic district encouraged tourists who saw safe and interesting street life and filled hotels, particularly on weekends.⁸⁷

In the 1980s, building on the success of Society Hill and the adjacent Queen Village and Bella Vista, just to its south, gentrification took hold in Old City, from Chestnut to Vine, east of Sixth Street. The city's oldest section, it was a wholesale and light manufacturing district occupying obsolete nineteenth-century buildings, many of which, by the 1970s, were vacant. The firm of Historic Landmarks for Living, led by Steven Solms and Carl Dranoff, played the key role in revitalizing Old City by rehabilitating vacant warehouses and factories into luxury rental apartments. These projects preserved historic and architectural qualities but added all

⁸⁶ Vanessa Williams, "Seeking a Mayor Who Will Put an End to Blight," *Inquirer*, Oct. 30, 1995.

⁸⁷ Planning Commission, *City Stats; Retaining College Graduates: Survey of College Graduates in Center City*, Report of the CPDC and CCD, Oct. 2006; Birch, "Changing Place in the New Downtown," 3. For an overview of postwar redevelopment, see Roger D. Simon, *Philadelphia: A Brief History* (University Park, PA, 2003).



Old City sidewalk cafe, September 2007. Photo by Lou Meehan.

the modern amenities and rented for less than comparable units elsewhere in Center City. Old City became the “mecca for young single and newly married professionals” whose spending fed the lively nightlife. In the decade from 1995 to 2005 property values shot up, as few new apartments came on the market.⁸⁸

Developers, again led by Historic Landmarks for Living, also turned to the corridor along North Broad Street between Vine and Spring Garden, lined with warehouses and old factories. The City Planning Commission resisted residential conversions, hoping the area would

⁸⁸ Gregory R. Byrnes, “An Old Area Rehabilitated into New Life,” Byrnes, “Recycling Ramshackle Treasures,” Byrnes and Gilbert M. Gaul, “Developer to Convert 2 Buildings,” Byrnes, “An Industrial Zone Is Facing a Challenge,” and Larry Fish, “Old City: A Time to Slow Down,” *Inquirer*, May 8 and Nov. 27, 1983, Feb. 23 and May 6, 1984, July 27, 1986. Historic Landmarks for Living also played a key role in redevelopment of the Spring Garden area (Race to Spring Garden, between Sixteenth and Twenty-first streets); see Gregory R. Byrnes, “Developer to Buy Two Buildings,” and Edward Colimore, “As Institutions Boom, the Cityscape Resounds,” *Inquirer*, Feb. 21, 1984, and Jan. 27, 1985. On neighborhood boundaries see, Philadelphia City Planning Commission, *Political and Community Service Boundaries of Philadelphia* (Philadelphia, 2004).

attract small firms that needed low rents and proximity to Center City. They also earmarked it as a relocation zone for firms displaced by the planned Convention Center. But, in the end, the reconversions won out and Philadelphia had its own "loft district."⁸⁹ Elsewhere former industrial sites were demolished for new houses, such as in Brewerytown, around Thirty-second Street and Girard Avenue.⁹⁰

In the 1970s and '80s federal tax policies underwrote rehabilitation, particularly in Old City. Tax law permitted accelerated depreciation of historic buildings and, even more importantly, substantial tax credits for investing in qualified structures. These policies lured wealthy investors seeking tax shelters. Many of the investors in Old City and elsewhere in the 1980s argued that without the tax shelters the rehabilitation simply would not have taken place. In fact, from 1982 through 1984 Philadelphia was the nation's leading city in utilizing tax credits for revitalization.⁹¹ Further encouraging investment, in 1997 the city offered a ten-year tax abatement program on new residential construction and conversions. The combination led to another surge of investment in older buildings and allowed the city to make the most of the housing boom that followed.⁹²

Gentrification was neither easy nor a certainty; some areas caught on quickly, but others took decades. Courageous pioneers who ventured into neighborhoods beyond the pale of the safe and clean were taking a real personal and financial gamble. In the 1980s gentrification took hold in the Spring Garden district, where handsome Victorian houses were restored. But chic new restaurants and gourmet grocery stores competed with "a stubborn, decades-old tradition of drug dealing from its streets." Residents organized to fight back because, as one newcomer pointed out, drugs and crime "brought gentrification to a standstill."⁹³ In the late

⁸⁹ Byrnes, "Industrial Zone Is Facing a Challenge"; Sasha Issenberg, "Land of the Loft," *Philadelphia Magazine*, Oct., 2002, 86, 107–8.

⁹⁰ Susan Warner, "New Tech Companies Trickle into Zone along N. Broad St.," and Alan J. Heavens, "New Is New in the City," *Inquirer*, Mar. 26, 2000, and June 5, 2005.

⁹¹ Gregory R. Byrnes, "Laying Foundations for a National Business," Gene Austin, "Tax Credit for Rehab Is Endangered," Roger Cohn, "City Restorers Cross Fingers for Tax Credits," and Charles V. Zehren, "New Tax Law Taking a Toll on Rehabilitation," *Inquirer*, Dec. 3, 1984, Mar. 10 and June 24, 1985, Apr. 3, 1988.

⁹² CCD, *State of Center City 2006*, Residential Market; Joseph A. Slobodzian, "In Shift, Development May Buoy Chinatown," *Inquirer*, Apr. 5, 2005; Whiting, *Philadelphia 2007*, 16–17.

⁹³ Doreen Carvajal, "Where Gentrification and Crack Collide," *Inquirer*, Jan. 23, 1990; a similar process occurred in nearby Francisville; see Anthony Gnoffo Jr., "PNB to Aid Francisville Rehab Plan," and Michael Vitez, "Realty Boom Spreading in N. Phila.," *Inquirer*, Dec. 8, 1989, and June 5, 2006.

1970s, a few artists drifted into Northern Liberties, an area of mostly abandoned factories and warehouses with few residents, attracted by the very cheap prices for large space. Although they fixed up their houses, they did little work on the outside so as not to attract attention. But where artists go, investors and gentrifiers usually follow. In 2003, the *Inquirer* reported, “since the 1980s, we’ve been waiting for Northern Liberties to arrive, perpetually labeling it up-and-coming, . . . the next Old City. . . . While we’ve been talking . . . it happened.” But the article also reported a rash of nighttime attacks on pedestrians and concluded, “this neighborhood is still gritty, still real, it feels like Philadelphia, salt-of-the-earth,” implying that gentrified neighborhoods were not “real.”⁹⁴

Gentrification was not limited to the fringes of Center City. Six miles to the north, the nineteenth-century industrial village of Manayunk sat along a canal on the east side of the Schuylkill River. It was easily accessible from Center City, the affluent Chestnut Hill section, and many suburbs via the Schuylkill Expressway. Tall, stone textile mills lined Main Street while modest row houses climbed the steep hill above. In 1979 the city rebuilt the tow path and canal. In the early ’80s the business association and residents founded the nonprofit New Manayunk Corporation to market the district and attract the kind of retailers who would lure shoppers. Developers, the city, and the corporation cooperated to provide additional parking, create a park along the canal, and encourage owners to renovate property to conform to historic guidelines. By the late 1980s Main Street drew regional customers to its home-furnishing and craft stores, galleries, and other specialty shops offering goods not found at local malls. The stores brought a substantial increase in pedestrian traffic, which led to new restaurants and, by the 1990s, made Manayunk a dining destination.⁹⁵

Gentrification did not come without social cost. Areas experiencing gentrification were already residential neighborhoods, filled with people who had often lived on their streets for decades. Outsiders and the media often focused on negative indicators and overlooked the dense social networks and important social capital that residents had created in these neighborhoods. Residents sat on their stoops and gossiped while watching

⁹⁴ Frank Rossi, “Life, Liberties and the Pursuit of Happiness,” and Nora Koch, “New Direction: The Crowds That Made Manayunk and Old City Have Found Their Way to Northern Liberties,” *Inquirer*, Mar. 23, 1989, and Aug. 1, 2003; on artist-pioneers in Northern Liberties, see Nathaniel R. Popkin, *Song of the City: An Intimate Portrait of the American Urban Landscape* (New York, 2002), 97–110.

⁹⁵ Edward L. Crow, *Paths and Pitfalls: On the Way to a New Vibrancy in Older Retail Districts* (Pittsburgh, 2003); Mark Jaffe, “Manayunk Complex Gets Boost,” *Inquirer*, Nov. 19, 1999.

the children who played in the streets; often they had relatives around the corner. They supported neighborhood associations, church groups, and block clubs. They, too, had fixed up their houses, but their idea of modernization might be to reface nineteenth-century brick with maintenance-free aluminum siding and awnings. From Queen Village in the 1970s to lower Roxborough in 2005, longtime neighbors resented newcomers with their money, historic restorations, and trendy restaurants. The newcomers were more cosmopolitan, took a citywide view of culture and entertainment, and could be condescending toward longtime residents. When an influx of gentrifiers fixed up homes in the next "hot area," property values jumped rapidly. Even if residents had no intention of selling, they faced unwelcome increases in their property taxes and pressure from real estate agents. By the late 1980s people talked about the "victims of gentrification."⁹⁶

The city encouraged the process, particularly when developers were ready to move in. In those instances the city's eagerness for development capital drowned out the voices and needs of established residents. Such was the case in Kensington, where social networks had survived decades of deindustrialization. In the 1990s, the residents worked through community-based organizations to clean up vacant lots, build playgrounds, create gardens, board up abandoned buildings, and slowly build interracial ties. But around the turn of the twenty-first century, the city saw redevelopment potential in this area just north of Northern Liberties. It created an Empowerment Zone in 1995 and established a locally elected Community Trust Board. However, the Street administration turned the board into an appointed body and shifted its goals from such priorities as investing in recreational space and job training to removing blight so as to attract investment. Professional experts stepped in to do the work previously done by community-based organizations and projects earlier done by community volunteers were contracted out.⁹⁷

⁹⁶ Paul R. Levy and Roman A. Cybriwsky, "The Hidden Dimensions of Culture and Class: Philadelphia," in *Back to the City: Issues in Neighborhood Renovation*, ed. Shirley Bradway Laska and Daphne Spain (New York, 1980), 138–55; Judith Goode and Robert T. O'Brien, "Whose Social Capital: How Economic Development Projects Disrupt Social Relations," and Patricia Stern Smallacombe, "Rootedness, Isolation, and Social Capital in an Inner City White Neighborhood," in *Social Capital in the City: Community and Civic Life in Philadelphia*, ed. Richardson Dilworth (Philadelphia, 2006), 159–76, 177–95; Stephen Salisbury, "A Neighborly Pursuit That's Fast Fading Away," and Robert Zausner, "Casey Signs a Tax Break for Gentrification Victims," *Inquirer*, Nov. 16, 2005, and Dec. 14, 1988.

⁹⁷ Goode and O'Brien, "Whose Social Capital," 162–76.

Reclaiming Neighborhoods

Beyond the newly gentrified districts and the shadows of the office towers were a wide array of neighborhoods. In the worst areas, likened to “ghost towns” or “moonscapes,” residents were victimized by drug dealers, gangs, random violence, and poor schools. The city’s emphasis on rebuilding Center City came partly at the expense of the outlying neighborhoods.⁹⁸

Not everyone despaired; neighborhood organizations fought drug dealers, tried to stave off decay, and lobbied for attention from City Hall. People organized nonprofit Community Development Corporations (CDCs) to raise money for job creation, recreation, business development, and affordable housing.⁹⁹ In addition, attempting to build on the success of the Center City District, the city authorized additional business improvement districts, eventually a total of eleven, in areas as diverse as Frankford, East Passyunk, University City, and Manayunk. They strove to revive neighborhood commercial zones by improving their images, keeping the streets clean, removing graffiti, providing security, and influencing local planning. The results were mixed. The city presumed that local resources would be used to stimulate the local economy, but declining areas had a limited financial base on which to draw.¹⁰⁰

All levels of government provided a range of programs to attack the decay. In addition to Empowerment Zones and KOZs, the city and state provided tax credits and abatements while the federal government offered grants through the city’s Office of Housing and Community Development and through the Philadelphia Housing Authority (PHA), which administered subsidized housing programs. The universities, notably Temple, Drexel, and the University of Pennsylvania, invested heavily in their adjacent areas.

Two dramatically visible signs of decay were homelessness and widespread housing abandonment as landlords ceased to maintain their properties and ignored tax bills, eventually walking away from their

⁹⁸ Mike Mallowe, “Notes from the New White Ghetto: Once Upon a Time There Were Families, Work, Faith, and Hope,” *Philadelphia Magazine*, Dec. 1986; Adams et. al., *Philadelphia*, 28–29.

⁹⁹ *Building Livable Communities*, Report of Philadelphia’s Community Development Corporations, Oct. 2006; see also Whiting, *Philadelphia 2007*, 15, on other community-based initiatives.

¹⁰⁰ Robert J. Stokes, “Business Improvement Districts and Inner City Revitalization: The Case of Philadelphia’s Frankford Special Services District,” *International Journal of Public Administration* 29 (2006): 173–86.

buildings entirely.

In the 1980s the numbers and visibility of homeless people increased dramatically. This was a national phenomenon, resulting from four major developments: slum clearance and sharply rising rents eliminated much of the low cost, albeit dilapidated housing; the state closed many of its mental hospitals and made involuntary commitment difficult; the crack cocaine epidemic destroyed lives and families; and thousands of jobs for people with limited skills disappeared. In addition, the Reagan administration slashed many social programs and sharply cut the aid to cities that supported social services and provided many jobs. In Philadelphia in the mid-1980s no more than a quarter of all the homeless were mentally ill or substance abusers, but pedestrians and tourists found the increase in panhandlers, "bag ladies," and "vent men" intimidating and disturbing. The homeless clustered around Center City, where street traffic offered the best returns for begging, where shelter might be found in out-of-the-way places, and where a number of church-run shelters and missions offered food and some help. As the numbers of homeless rose rapidly, downtown businessmen demanded the city take action and threatened to relocate if it did not.¹⁰¹

The city moved to address the problem, but the numbers continued to grow. By 1985 several thousand people were living in emergency shelters, although conditions there were often grim, with little supervision. Shelters and treatment programs eventually reduced the number of people living on the street.¹⁰² In the early 1990s, with the imminent completion of the Convention Center and a more concerted effort to attract tourists, downtown business interests pressured the city to move more aggressively to get the homeless off the streets. The *Inquirer* reported that "Philadelphia Orchestra patrons run a panhandlers' gantlet on their way to and from the Academy of Music." HUD provided the city with large grants to open additional shelters, which put more emphasis on providing social services, and to build and renovate transitional and permanent low-cost housing. The city made a substantial commitment to address the problem and by 1997 had 2,100 shelter beds available. The city then

¹⁰¹ Tom Masland, "Odyssey through the Night," Michael A. Hobbs, "Giving Shelter from Life's Hardships," and Rick Nichols, "Battle Lines: City Nomads vs. Business," *Inquirer*, Jan. 18, Oct. 3, and Nov. 17, 1981; Carolyn Teich Adams, "Homelessness in the Postindustrial City: Views from London and Philadelphia," *Urban Affairs Quarterly* 21 (1986): 527-49.

¹⁰² In 1982 a number of church groups joined to form the Philadelphia Coalition to End Homelessness; see <http://www.pceh.org>.

swept away the homeless encampments, and the Center City District tried to keep them out of its territory, although Logan Circle remained a favorite destination.¹⁰³

Mayor Street promised to end homelessness within a decade, but the real estate boom and sluggish job market aggravated the situation. Although the city was spending about seventeen million dollars a year on the homeless, estimates in the fall of 2006 placed the number still living on the street at almost four hundred. That did not include more than three thousand people, including more than one thousand children, living in shelters and temporary emergency housing.¹⁰⁴

In 1980 the city had thirty-seven thousand vacant housing units that were neither for rent nor sale. During the '80s the budget for demolitions rose from five hundred thousand to nine million dollars. Dishearteningly, as vacant buildings came down, new ones appeared (although there were always squatters who moved into derelict buildings and tried to make them habitable). In 2006 the number of vacant residential structures (twenty-six thousand) was almost the same as in 1995. Philadelphia reputedly had the highest vacancy rate in the country.¹⁰⁵

During the Rendell administration an improved economy and more federal aid made new initiatives possible. The city's Office of Housing and Community Development (OHCD) pursued a variety of strategies, using federal dollars to provide grants and loans to CDCs and other investors to build affordable housing and to help first-time buyers. New projects helped stabilize neighborhoods by making them attractive to working families. For example, OHCD partnered with the Asociación Puertorriqueños en Marcha, an established group that concentrated on

¹⁰³ Donald C. Drake, "The Forsaken: Left to the Police, a Litter of Humanity," Doreen Carvajal and Vernon Loeb, "Merchants Call for Sweeping Changes on Homeless," Ginny Wiegand, "Frustrated by Prostitutes, Street People, Panhandlers Center City Restaurant Owners Complained to Police," Amy S. Rosenberg, "Mayor Unveils New Strategy for the Homeless," and Marie Davis, "Mayor Makes Headway on Aiding the Homeless," *Inquirer*, July 21, 1982, Nov. 9, 1992, Feb. 5 and Oct. 1, 1993, July 1, 1997.

¹⁰⁴ Clea Benson, "Housing Problem Worsens, Study Says," Julie Stoiber, "First-Timer, Families Swell Homeless Ranks," Stephen Salisbury, "During Cold Spell, Help Available for Homeless," Joseph A. Slobodzian, "From Streets to Shelter, a Success—And a Puzzle," Michael Currie Schaffer, "Homelessness Is Back on the Rise," and Mitch Lipka, "Phila.'s Rising Homeless Numbers," *Inquirer*, Apr. 2 and Oct. 20, 2003, Jan. 8, 2004, Apr. 12, 2005, Jan. 31 and Sept. 17, 2006; Joel McCord, "Where a Quarter Can Buy a Little Hope," *New York Times*, Nov. 26, 1006.

¹⁰⁵ Neill A. Borowski and Doreen Carvajal, "Flight from North Philadelphia Neighborhood," *Inquirer*, Apr. 12, 1991; City of Philadelphia: Neighborhood Transformation Initiative, <http://www.phila.gov/nti/demolition.htm>.

social services in the area from Berks to York between American and Ninth streets. Together the agencies sponsored 150 new dwelling units, renovated other homes, and developed Borinquen Plaza, a shopping center along Germantown Avenue that brought a much-needed grocery store back to the neighborhood.¹⁰⁶

The Philadelphia Housing Authority had a long history of inefficient and corrupt management. In 1994 almost six thousand units, a quarter of its inventory, stood vacant. In 1991 the federal government gave the agency eighty-four million dollars to fix up its units. But, after continuing scandals involving the rebuilding of the Southwark complex, in May 1992 HUD took over the PHA. At the time the *Inquirer* referred to “the squalid living conditions of thousands of public housing tenants.”¹⁰⁷ In 1993 one official went to jail for taking about three hundred thousand dollars in bribes and kickbacks. An *Inquirer* editorial complained, “What is more dispiriting is the bland acceptance by generations of Philadelphians that certain city agencies just work this way—that their primary purpose is not to provide housing, or register voters, or run parking garages, but to give jobs to people who are connected.”¹⁰⁸ In 1994, HUD turned over operations to a board controlled by the mayor.

In April 2001 Mayor John Street announced an ambitious five-year plan to attack blight and decay, the Neighborhood Transformation Initiative (NTI), for which the city borrowed three hundred million dollars.¹⁰⁹ The NTI's results were mixed. It removed an astonishing 225,000 abandoned vehicles and cleaned up some sixty thousand vacant lots. But instead of demolishing the promised fourteen thousand vacant buildings, it razed fewer than five thousand, about the same rate as earlier years, partly because the cost of demolition (an average of twenty-three thousand dollars) was twice the original estimate. In some of the most distressed areas, the city hoped to level entire blocks, but few were completely abandoned, and remaining residents, not surprisingly, resisted relocation. For homeowners, area banks worked with the city to offer

¹⁰⁶ See John Kromer, *Neighborhood Recovery: Reinvestment Policy of the New Hometown* (New Brunswick, NJ, 2000); *Building Livable Communities*, 13–15 and *passim*; http://www.lisc.org/philadelphia/assets_upload_file675_3006.pdf.

¹⁰⁷ Matthew Purdy, “84.5 Million for Public Housing,” and “U.S. Will Run Housing Authority,” *Inquirer*, Oct. 10, 1991, and May 21, 1992.

¹⁰⁸ Editorial, “Fraud at PHA!!!,” *Inquirer*, May 5, 1993.

¹⁰⁹ Cynthia Burton and Clea Benson, “Street Outlines Massive Revitalization Plan,” *Inquirer*, Apr. 19, 2001.

long-term home improvement and energy improvement loans.¹¹⁰ The Street administration also began a tax credit program under which local businesses could invest up to one hundred thousand dollars in CDCs and receive a credit against their business privilege tax. Funds were used for a wide range of projects, including helping individual CDCs find permanent space, renovating derelict buildings for mixed uses, cleaning up business streets, and developing retail projects.¹¹¹

NTI was supposed to streamline the lengthy and costly process of assembling abandoned sites for redevelopment. Developers, especially local CDCs eager to sponsor affordable housing, rushed forward with proposals, but progress remained slow, with only 1,700 of a hoped-for 6,000 parcels turned over to developers by 2006. Nonetheless, after five years, NTI did facilitate 16,000 units of market rate housing and 9,000 units of affordable or public housing. Both city officials and developers argued that the NTI was the essential catalyst to “jump start” an area or project.

The Philadelphia Housing Authority provided some of the most dramatic changes. Beginning in 1995, with federal grants, PHA demolished the oldest public housing units, which had embodied the worst of slum conditions. Attractive row homes and twins, set back from the street with grass, trees, playgrounds, and off-street parking, replaced such notorious “projects” as Tasker, Mill Creek, Raymond Rosen, and Richard Allen. Some criticized the cost, averaging \$250,000 per unit, while others thought the low density, suburban-like atmosphere out of place, particularly since the new complexes had far fewer units than the old ones. In defense, a PHA official argued: “To get anyone to come to North Philadelphia, it . . . had to be dramatic if we were going to change people’s notions about public housing. We were making a statement.”¹¹²

In 1997, approximately 13,000 families were on the waiting list for all subsidized housing units with the PHA. Because of sharply rising housing prices and in response to the more attractive housing, by 2006 that number had jumped to 46,000. Perversely, in an effort to create stable neighborhoods, many families were actually too poor to qualify. Although, citywide, almost two-thirds of all PHA tenants had an annual

¹¹⁰ Jennifer Lin, “Blight Unbeaten,” *Inquirer*, Sept. 3, 2006; on the home-improvement loan program, see <http://www.formyphillyhome.org>.

¹¹¹ Philadelphia Association of Community Development Corporations, *Neighborhood Economies, Neighborhood Partnerships*, Report, Oct. 2003, <http://www.pacdc.org/docs/TaxCredit.pdf>.

¹¹² Larry Eichel, “Rising from Ruins,” *Inquirer*, Dec. 4, 2005.



The new Richard Allen Homes, August 2007. Photo by Lou Meehan.

income of less than \$10,000, many units at new projects were reserved for families earning between \$20,000 and \$34,500. The PHA also administered the federal Section 8 voucher program, under which qualified tenants found housing in the private market and the program subsidized their rent. Section 8 was an important tool in providing shelter for homeless families, and the number of families using vouchers jumped from 8,500 in 1997 to 16,600 by 2005. Demand was so great that in 2001 PHA closed the waiting list. Overall, PHA served more than 80,000 households, but the Bush administration kept reducing the funding, and in January 2007 the PHA announced it was laying off 20 percent of its staff as a result.¹¹³

In addition to tackling neighborhood blight, Mayor Street also addressed crime. The property-crime rate dropped 29 percent around the turn of the century, and the police broke up some three hundred street-corner drug markets. But after declining since the mid-1990s, the number of homicides rose again. In 2006 the city witnessed 406 murders,

¹¹³ Larry Eichel, "A Longer Wait for Housing," and Editorial, "PHA Layoffs: U.S. Punishes the Needy," *Inquirer*, Dec. 6, 2005, and Jan. 12, 2007.

although the city, overall, was far safer than fifteen years earlier. Abundant supplies of guns and drugs and a rising number of teens with few job prospects provided a lethal mix; teenage black males accounted for most of the killers and the victims. The homicides were concentrated in the most distressed areas; very few occurred in gentrified districts or in Center City. In 2005 the city ranked seventh among large cities in its homicide rate.¹¹⁴ Despite the addition of more policemen, the carnage continued into 2007.

A climate of hostility toward the police, particularly among the city's African American population, aggravated efforts to identify and convict perpetrators. As one reporter observed: "The culture of the street hates the cops. Never mind that most of the officers are African American, and that more than a few of them grew up in this neighborhood. Perfectly law-abiding teenagers wear 'STOP SNITCHIN' t-shirts, cops are taunted for being sellouts or 'trying to be white,' and witnesses and victims won't talk at crime scenes, let alone show up at court."¹¹⁵ The ethos reflected decades of bias and abusive treatment. Tensions between police officers and nonwhite citizens were prominent in the response to the shooting death of Daniel Faulkner, a white policeman, in Center City during late 1981. Mumia Abu-Jamal, a black part-time radio broadcaster with a record of activism, was charged with the slaying. His conviction and death sentence during the following year prompted persistent accusations and counteraccusations between Philadelphia blacks and whites; blacks arguing that Abu-Jamal had been falsely convicted, whites directing attention to Officer Faulkner's murder.¹¹⁶

The MOVE bombing of 1985 only confirmed the antagonism of many toward the police. Then, in the mid-1990s, five police officers in the

¹¹⁴ Marcia Gelbart and Robert Moran, "Street's Appeal: Stop the Violence," *Inquirer*, July 28, 2006; Gregory Gilderman, "The Dead of Night," *Philadelphia Magazine*, Nov. 2006; on location, see *Inquirer* map, http://inquirer.philly.com/graphics/murders_map/; U.S. Dept. of Justice, FBI, Philadelphia Homicides in 2006, Crime in the United States 2005, table 16, http://www.fbi.gov/ucr/05cius/data/table_16.html; Whiting, *Philadelphia 2007*, 8–9. Of course, many of the killers were never identified.

¹¹⁵ Gilderman, "Dead of Night"; Noel Weyrich, "Don't Start Snitchin'," *Philadelphia Magazine*, Dec. 2006; Emilie Lounsberry, "Stoking a Culture of Fear for Witnesses," *Inquirer*, July 26, 2007. The hostility toward police and reluctance or fear of testifying were not unique to Philadelphia.

¹¹⁶ Robert J. Terry, Michael Hobbs, and Marc Schogol, "Policeman Shot to Death: Radio Newsman Charged," Marc Kaufman, "Abu-Jamal Found Guilty of Murder," and Kaufman, "Abu-Jamal Gets Electric Chair," *Inquirer*, Dec. 10, 1981, and July 3 and July 4, 1982. Abu-Jamal's death-row incarceration became a cause célèbre among some left-wing activists across the nation and even around the world; "Free Mumia" posters appeared in cities from Los Angeles to Lisbon.

Tioga neighborhood pleaded guilty to planting drugs on innocent people, shaking down drug dealers while pocketing the proceeds, and lying to obtain warrants. As a result of the scandal, almost three hundred convictions were overturned and four million dollars paid out to the victims. Some innocent people spent three or more years in jail.¹¹⁷

Further evidence of police bias confirmed what black people believed. A report in 2000 revealed that the rate at which police stopped black motorists and pedestrians far exceeded that for whites. In largely white areas, blacks were stopped vastly out of proportion to their share of the neighborhood population.¹¹⁸ Those episodes only exacerbated the hostility. At the time of the 1995 police scandals, John Street, then a city councilman, remarked, "Young black males live in constant fear of police abuse. Don't assume that just because I'm a public figure now, I don't have to worry about it."¹¹⁹

Schools

The eroding tax base and an increasingly impoverished minority population particularly took its toll on the public schools, which had long been plagued by poor academic performance, inadequate funding, and racial divisiveness. A series of teachers' strikes, culminating in a fifty-day stoppage in the fall of 1981, did nothing to help. An ongoing lawsuit that dated from the mid-1970s, intended to enforce racial desegregation, complicated efforts to improve the schools. By the early 1980s African Americans comprised nearly two-thirds of the public school students, and Latinos made up an increasing share.

Hoping to turn the schools around, in 1982 Mayor Green brought in a new superintendent, Constance Clayton, and promised a decisive reform effort. While Clayton did stem the district's perennial financial deficits for a number of years, student discipline and poor academic performance proved stubbornly resistant. Both problems largely reflected conditions beyond the school walls, where many students, particularly

¹¹⁷ Joseph A. Slobodzian, "5 City Officers Indicted on Corruption Charges," *Inquirer*, Mar. 1, 1995; see also Mark Fazlollah, "11 More Cleared Due to Scandal," *Inquirer*, Mar. 25, 1997; Don Terry, "Philadelphia Shaken by Criminal Police Officers," *New York Times*, Aug. 28, 1995.

¹¹⁸ Barbara Boyer and Thomas J. Gibbons Jr., "Report Says Phila. Police Unfairly Targeted Minorities," *Inquirer*, Dec. 8, 2000.

¹¹⁹ Monica Yant Kinney and Clea Benson, "The Task, Some Say, Is to Protect City's Image," *Inquirer*, July 17, 2000.

from poor and minority backgrounds, struggled with severe material deprivation and unstable family life. Furthermore, faced with high neighborhood crime rates and a lack of job opportunities, many minority students came to embrace an “oppositional” subculture that valued in-school rebelliousness and toughness and denigrated engagement in academic success.¹²⁰

By the summer of 1991, when Philadelphia students’ standardized test scores lagged far below national averages, the *Inquirer* concluded that “after eight years of public support, sincere effort and hard-nosed reforms, Philadelphia schools have fared no better than their suburban counterparts,”¹²¹ who did not put forth such a concerted effort in attaining higher rates of improvement in test scores. Clayton retired two years later, and her successor, David Hornbeck, embarked on yet another ambitious reform agenda, to little effect. The continuing deficiencies of the schools played a major role in promoting the out-migration of stable, relatively affluent families who might have offset the problems brought on by poverty. Speaking of one elementary school in the racially integrated, affluent West Mount Airy neighborhood, a real estate agent remarked that “the number one reason we’re finding for people moving out is the schools.”¹²²

In the spring of 1996, Doris Smith, the Commonwealth Court judge supervising the ongoing desegregation lawsuit, went beyond earlier efforts to rearrange the ethnic composition of children in school buildings and began to address the deeper causes for the poor school performance of minority children. She ordered the state government to substantially increase its subsidies to the Philadelphia district to provide students an equitable education. However, the order met vocal resistance in the state legislature, and the Pennsylvania Superior Court soon reversed the judge’s ruling.¹²³

While the legislature had opposed this attempt to mandate more equitable spending on Philadelphia schools, during the following year it supported a very different proposal to overcome urban school deficiencies. With strong support from Governor Tom Ridge, a Republican,

¹²⁰ Anderson, *Code of the Street*, 93–94, 112.

¹²¹ Tanya Barrientos, “Figures on City’s Public Schools Tell a Tale of Failure,” *Inquirer*, July 5, 1991.

¹²² Dale Mezzacappa, “Cut in Desegregation Funding Protested,” *Inquirer*, June 22, 1995.

¹²³ Dale Mezzacappa, “Pa. Ordered to Aid Phila. Schools,” Richard Jones, Dale Mezzacappa, and Robert Zausner, “Order to Aid City Schools Is Thrown Out,” *Inquirer*, Aug. 21 and Sept. 11, 1996.

Pennsylvania provided for the establishment of publicly funded charter schools. Several dozen charter schools sprang up throughout the city during the following years, bringing hopes for greater flexibility and higher community involvement. However, overall student performance remained poor and the school district's financial woes intensified to the point that, barely able to meet his payroll, in the spring of 1998 Hornbeck threatened to shut down school operations. This prompted action in Harrisburg to allow the state to take control of the Philadelphia district if a shutdown indeed occurred.¹²⁴

After some tough negotiations between Mayor Street and the state, in January 2002 the state effectively took control of the Philadelphia public schools when a five-member School Reform Commission (SRC) replaced the elected Board of Education. (Three commission members were appointed by the state and two by the city.) In what was labeled a "diverse provider model," the SRC contracted with seven organizations for outside management of forty-five low-performing elementary and middle schools in what came to be the nation's largest case of private management of public schools. Edison Schools, a private corporation, took over twenty of these; other operators included Temple and the University of Pennsylvania. The state allocated an additional seventy-six million dollars in funding to the school district, although most of the money went to those schools assigned to outside managers.¹²⁵ After a national search, the SRC hired Paul Vallas, the highly regarded director of the Chicago public school system, to run the system.

Vallas soon showed evidence of a measurable ability to address problems of inefficiency and poor student performance. Notably, students were permitted to seek transfers from poorly performing schools and more than one thousand did so, although that may have only created overcrowding elsewhere. At the beginning of the 2006–7 school year, the district opened four new magnet high schools: the Microsoft-affiliated High School of the Future, the Science Leadership Academy managed with the Franklin Institute, Constitution High School in association with the National Constitution Center, and the Academy at Palumbo's in South Philadelphia, modeled after the city's prestigious Central High

¹²⁴ Robert Moran and Richard Jones, "Pa. Assesses Takeover of City Schools," and Moran and Dale Mezzacappa, "Pa. Takeover OK'ed if Phila. Shuts Schools," *Inquirer*, Mar. 18 and Apr. 22, 1998.

¹²⁵ Susan Snyder and Martha Woodall, "A Study Guide to the Companies That Will Operate Philadelphia Schools," and Amy Worden, Thomas Fitzgerald, and Ovetta Wiggins, "'Zero Growth' Budget Finds \$76 Million for Phila. Schools," *Inquirer*, Apr. 18 and June 30, 2002.

School.

Since the state takeover and the mandates of the federal No Child Left Behind Act of 2002, the public schools posted increases in student test performance. In 2005, 2006, and 2007 Philadelphia students showed a substantial overall improvement on standardized tests; by the end of 2007, fifth- and eighth-grade math and reading scores had both improved by double-digit margins over those measured during 2002. Ironically, many of the schools under contract management and charter schools did not perform as well as those run by the district.¹²⁶ In his public statements, Vallas himself took pains to emphasize the deep deficiencies that remained in Philadelphia students' academic skills compared with those of their suburban neighbors, but the short-term results suggested that the longstanding academic and financial decline had been arrested. Nonetheless, class sizes remained high and support services and facilities markedly inferior to suburban schools. Moreover, the financial foundation of the school system remained precarious. By early 2007, when Vallas announced his impending departure to assume leadership of the New Orleans school system, the Philadelphia school district had revealed an unexpected deficit of more than seventy-three million dollars.¹²⁷

Unfortunately, school managers could not influence events involving students outside school walls. As demonstrated by the accidental death of a ten-year-old boy in the crossfire of a gunfight outside a North Philadelphia elementary school, persistently high rates of violent crime in Philadelphia neighborhoods necessarily affected students. In the spring of 2004, a student march mourned the fact that an astounding twenty-three Philadelphia students had been killed in criminal events since the beginning of that school year.¹²⁸ But not all crime was outside the buildings. In February 2007 two students severely beat a school teacher in West Philadelphia.¹²⁹

¹²⁶ "School District of Philadelphia Boasts a Record Fourth Year of Increasing Test Scores on the State PSSA," School District of Philadelphia, July 27, 2006, http://www.phila.k12.pa.us/offices/communications/press_releases/2006/07/11/; see also Brian Gill et. al., *State Takeover, School Restructuring, Private Management, and Student Achievement in Philadelphia* (Santa Monica, CA, 2007), xii–xiii and *passim*, <http://www.rand.org/pubs/monographs/MG533>; Susan Snyder, "5th Year of Gains for Phila. Schools," *Philadelphia Inquirer*, Aug. 8, 2007.

¹²⁷ Paul Vallas, "CEO Budget Plan," <http://www.phila.k12.pa.us/offices/ceo/budget/budgetplan.html>.

¹²⁸ Vernon Clark, "March for Slain Students Set for Today," *Inquirer*, Apr. 10, 2004.

¹²⁹ Joseph A. Gambardello and Robert Moran, "Teacher Assaulted in School Hallway," *Inquirer*, Feb. 24, 2007.

Conclusion

In the first quarter of its fourth century, Philadelphia took significant steps in the painful adjustment to a postindustrial economy. The history of these years demonstrates that, while many of the challenges posed by globalization lay beyond the city's control, targeted public policy, leadership (political, business, and civic), and local investment could do a great deal to make it competitive. With generous government support and public subsidies, private developers erected a glittering new skyline. A revived Center City provided the engine and model that pushed gentrification in every direction. Consequently, among the general public and civic leaders a more positive self-image and optimism replaced much of the pessimism of the past. In addition, and perhaps partly because of a new diversity brought by a new wave of immigrants, some of the black/white racial animosity of the past seemed to be muted.¹³⁰ New communal space, such as the sports venues and the Kimmel Center, helped restore local pride. But in the first five years of the twenty-first century the city continued to lose people and jobs. Furthermore, the city, as well as the state and nation, failed to invest in its greatest asset, its citizens, by continuing to underfund and neglect its schools. As Philadelphia entered its fourth century, its prospects were uncertain, but certainly appeared better than twenty-five years before.

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¹³⁰ Whiting, *Philadelphia 2007*, 12.